

**FBIS**

# DAILY REPORT

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## Swiss Minister To Visit

OW051106 Beijing XINHUA in English 1035 GMT 5 Nov 86

[Text] Beijing, November 5 (XINHUA) -- Pierre Aubert, vice-president of the Federal Council and Minister of Foreign Affairs of Switzerland, will pay an official visit to China from November 11 to 16 at the invitation of Chinese State Councillor and Foreign Minister Wu Xueqian.

This was announced by a Chinese Foreign Ministry spokesman at the weekly news briefing here today.

Responding to a question, the spokesman disclosed that Chinese Vice-Minister of Foreign Affairs Zhou Nan will pay a friendly visit to Portugal in mid-November at the invitation of the Portuguese Government.

## Nakasone To Meet Leaders

OW051110 Beijing XINHUA in English 1102 GMT 5 Nov 86

[Text] Beijing, November 5 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone will exchange views with Chinese leaders on the further development of Sino-Japanese friendly relations and international issues of mutual concern during his forthcoming China visit scheduled for November 8 and 9, a Chinese Foreign Ministry spokesman announced here today.

The spokesman said at the weekly news briefing that, at the invitation of the Chinese Communist Party General Secretary, Hu Yaobang, Nakasone will attend a cornerstone-laying ceremony for the China-Japan Youth Exchange Center, to be held here on the afternoon of November 8. Hu will meet Nakasone and give a dinner for him the same day.

Nakasone is scheduled to meet Deng Xiaoping, chairman of the Communist Party Central Advisory Commission, and Chinese Premier Zhao Ziyang separately on the morning of November 9, the spokesman said. The prime minister will leave for home after giving a press conference at noon that day.

On Sino-Japanese relations, the spokesman said the main trend is fine and healthy and there has been considerable development. However, he added, in the course of development some problems cropped up, which both sides handled properly.

The spokesman expressed the belief that Nakasone's China visit will constitute a positive contribution to the healthy and smooth development of Sino-Japanese friendship.

## Seeks U.S. Military Technology

OW051130 Beijing XINHUA in English 1121 GMT 5 Nov 86

[Text] Beijing, November 5 (XINHUA) -- While relying mainly on its own efforts for modernizing its national defense, China hopes to introduce a small amount of military technology and equipment from friendly countries including the United States, a Foreign Ministry spokesman said here today.



In reply to a question, the spokesman said: "We're willing to conduct all kinds of technical exchange with all countries friendly to us."

On the U.S. military vessels' visit to Qingdao, the spokesman said it is a friendly, courtesy call. It is China's policy not to allow foreign military vessels carrying nuclear weapons to visit Chinese ports, the spokesman reiterated.

#### Speaks on Cambodia Issue

OW051202 Beijing XINHUA in English 1137 GMT 5 Nov 86

[Text] Beijing, November 5 (XINHUA) -- A Foreign Ministry spokesman today rejected a report about Chinese Vice-Premier Tian Jiyun holding talks with senior Vietnamese officials on the Kampuchean issue while in Bangkok as "entirely groundless".

In reply to a question at the weekly news briefing this afternoon, the spokesman said: "So long as Vietnam pursues its policy of aggression against Kampuchea and opposition to China and refuses to withdraw all its aggressive troops from Kampuchea, direct contacts or talks between China and Vietnam are out of the question."

He said China hopes to see a political settlement of the Kampuchean issue on the basis of the eight-point proposal of the Democratic Kampuchea Coalition Government and the establishment of a coalition government formed by various political forces.

The spokesman said that China is not in favor of any single faction of the political forces governing Kampuchea nor exclusion of any faction from the coalition government.

#### PRC JOURNAL ON TREND OF U.S.-SOVIET CONTENTION

HK041200 Beijing GUOJI WENTI YANJIU in Chinese No 4, 13 Oct 86 pp 21-25

[Article by Zhang Wuwei (1728 2477 3956): "New Trends of U.S.-Soviet Regional Contention" -- first paragraph printed in boldface]

[Text] A trend of aggravation has appeared in U.S.-Soviet regional contention. The Reagan administration is stepping up the implementation of the policy of regional contention, with the purpose of "pushing back" the progress the Soviet Union made in some regions during the 1970's. The Soviet Union is strengthening its political and diplomatic offenses and adopting flexible and cautious tactics to consolidate the positions it has already gained, while seeking opportunities to make further advances. A new situation of turbulence has appeared in various regions, but the general relationship between the United States and the Soviet Union remains unchanged. Both have set certain limitations, both find their abilities not equal to their ambitions, and both need to accumulate strength. The regional contention will be a protracted seesaw battle.

#### I. Regional Contention Is Being Aggravated Day by Day [subhead]

At present, the struggle between the United States and the Soviet Union for world hegemony is still at a stalemate. However, some marked changes have taken place in U.S.-Soviet contention since Reagan started his second term of office and Gorbachev came to power. [paragraph continues]

On the one hand, they both returned to the nuclear disarmament talks, trying to find some "rules" for controlling the level of nuclear arms competition. Despite their disputes, the talks are still going on. On the other hand, there has appeared a trend of stepping up their contention in the Third World. The characteristics of this new trend of stepping up regional contention are as follows: 1) Judging from the manner of contention, the United States appears to be more aggressive than the Soviet Union, which appears to be firm but gentle. The United States has made greater efforts to carry out "Reaganism" -- it has changed its previous covert support to open and forceful support for the guerrillas and anti-government forces in Afghanistan, Nicaragua, and Angola; it has changed its policy of giving indiscriminate support to all pro-U.S. and anti-communist autocratic powers and emphasized "democratization" instead, while at the same time, fostering a third force in some regions; it has also allotted \$1.7 billion in special funds to work out a plan for "low-intensity warfare," ready to take quick military actions whenever necessary in the regional contention while preventing frontal engagement with the Soviet Union. To counter the U.S. challenge, the Soviet Union has adopted some flexible but cautious tactics, including enhancing the strength of some countries which are of strategic importance to the Soviet Union, improving in an extensive way the relationship with some moderate developing countries, and continuing to enhance the military strength of some important strategic regions. 2) Judging from the ways and tactics of contention, both the United States and the Soviet Union have made use of regional clashes and various economic difficulties of the developing countries to conduct infiltration and nibbling by various means. The Soviet Union has made full use of political means, trying to organize a united front to isolate the United States. The United States has attached importance to making use of the economic difficulties of the Third World countries and their demands for funds and technology to offer aid to them through careful selection, trying to consolidate their positions and to undermine the foundation of the Soviet Union so that the contention in the near future can be combined with its long-term strategic purpose of containing communism. On most occasions, the United States and the Soviet Union are contending with each other in some hot spots through supporting their "agents." While stepping up the contention, both sides have also paid attention to strengthening control. 3) Judging from the focus of the contention, both the United States and the Soviet Union have strengthened their control and influence on certain neighboring countries, making them "forbidden areas" for the other side. As to the remote countries greatly influenced by the other side, they have mainly tried to contain them by political means. Although the United States has assumed the posture of hitting out in all directions, it actually has its focus. The Asia-Pacific region has now become a focus of U.S.-Soviet contention, with both sides attaching greater importance to it. Meanwhile, their contention in the Middle East is also becoming more and more acute.

From these characteristics we can see that in the arms competition and regional clashes between the United States and the Soviet Union, since the former is a protracted struggle, in which neither is able to overwhelm the other, both sides have attached greater importance to the latter. Striving for military superiority is aimed at seeking world hegemony, and the gains and losses in regional contention will directly affect the growth and decline of the spheres of influence of both sides, which have a most important bearing on their efforts to seek hegemony. The unbalanced development of various regions in the contemporary world has made the two super powers attach greater importance to some regions, such as the Asia-Pacific region. At the same time, the decline of one of the two sides in some regions also provides the other side with an opportunity to advance. [paragraph continues]

This is an objective condition for the trend of aggravation in their regional contention. The Reagan government holds that since the new leaders of the Soviet Union are busy solving their domestic economic problems and have no time to take care of foreign affairs and since the United States has regained strength, it should seize this favorable opportunity to "push back" the progress the Soviet Union made in the 1970s. Moreover, by aggravating regional clashed in its contention with the Soviet Union, the United States is also trying to turn from the defensive to the offensive, so as to offset the powerful peace and nuclear disarmament offensive launched by the Soviet Union since this year and to add some bargaining counters to the second round of summit talks between the United States and the Soviet Union in the future. On the other hand, the new leaders of the Soviet Union are determined to implement their policy of accelerating economic development, while maintaining a balance of power with the United States in the contemporary stage, so as to carry out long-term contention with the United States. For this reason, the Soviet Union has to digest and consolidate what it has gained in the regional contention and wait for new opportunities. Although it does not appear as aggressive as before, it has not slackened its efforts to seize every possible opportunity to make further advances. Thus, a situation has appeared at present, which is characterized by an uninterrupted dialogue over arms control and the aggravation in regional contention.

## II. At Present, the Bone of U.S.-Soviet Contention Is the Asia-Pacific Region [subhead]

The strategic bone of U.S.-Soviet contention is still Europe. However, for the following two reasons, the Asia-Pacific region has already become a bone of their contention at present. 1) The spheres of influence of both sides in Europe have basically been determined, and cannot be easily changed by any of them, but the situation in the Asia-Pacific region is very complicated, and provides them with more opportunities to contend with each other and change the status quo. 2) The Asia-Pacific region has great economic potential and is in an important strategic position. The United States has gradually shifted its economic strength to the Pacific and made great efforts to establish a certain cooperative system there through economic cooperation so as to obtain greater economic benefits, but the Soviet Union has strenuously advocated the establishment of a security system in Asia so as to obstruct the United States in carrying out its plan. Under such circumstances, both sides wish to expand their influence in the Asia-Pacific region so that they can gain the upper hand there. In the early 1980s, the United States 'returned to Asia.' Since then, the situation has been quite favorable for it, but there are still many problems. The Soviet Union has continuously enhanced its military strength in the Asia-Pacific region but its situation is not favorable in the political and economic fields. Thus, its new leaders are trying to make use of the weak links of the United States and the contradictions between big powers to open up a new prospect and improve its position on the Eastern front. Over the past year, the contention and struggle between the United States and the Soviet Union in this region have markedly intensified.

In order to contain the Soviet Union and strengthen the control over the major sea routes from northeast Asia to the Indian Ocean, the United States has further strengthened military cooperation with Japan and continued to promote its "defense companion relations" with Japan and South Korea. It has also helped ASEAN countries, mainly Thailand, strengthen their defense forces. [paragraph continues]



However, it is still faced with a big problem: Its strategic arrangement is affected by the turbulent political situation and economic difficulties of some countries and the increasing instability in this region. In view of this, in his report on foreign policy delivered on 14 March, Reagan made an important readjustment of U.S. tactics and proposed "freedom," "democratization," and "opposing tyranny in any form, either left or right." In other words, in order to consolidate its position and ensure its strategic interests, the United States must discard its anti-communist and autocratic "old friends" step by step and in an ingenious way, so as to alleviate its contradictions with some relevant countries and stabilize the situation. This readjustment was reflected by the turn from supporting Marcos to supporting Mrs Aquino in the Philippine general election under the pretext of promoting "democratization." The United States is also showing great concern over the situation in South Korea. On the one hand, it has urged the South Korean authorities to practice "democracy," but on the other, it has continued to support South Korea and conducted large scale military exercises with it, disrupting the dialogue between the North and South of Korea. This shows that the United States is not willing to make substantial efforts to relax the situation on the Korean peninsula. In economic affairs, the United States has taken Thailand and the Philippines as the "frontline states" and the major recipient countries in Asia, so that they can be used to contain the Soviet expansion. However, although it wants them to solve economic difficulties and stabilize the situation, it is still reluctant to give up hegemony in economy and trade. In many fields such as quotas, tariff, and investment, it is still trying to strangle the latter. For example, as a victim of U.S. protectionism, Thailand will have to reduce its rice exports by 300,000 to 500,000 tons a year. On the question of fishing in the south Pacific Ocean, the United States also neglects the sovereignty and economic interests of some small island states there. This fatal weakness of the United States makes it unable to solve the above-mentioned difficult strategic problem. In addition, there are differences between the United States and New Zealand on anti-nuclear policy and some cracks in the ANZUS alliance and in the "chain of islands defense." Thus, the U.S. influence in the South Pacific region has declined. What the United States has done only makes itself suffer and helps the Soviet Union. In South Asia, while increasing aid to Pakistan, the United States has made India less dependent on the Soviet Union, through increasing military and technological aid, and helped improve the relationship between India and Pakistan. It has made limited achievements in this respect.

In Afghanistan and Cambodia, the United States has also put more pressure on the Soviet Union. This year, Congress has approved aid of \$15 million to Afghan guerrillas, in addition to secret military aid of nearly \$500 million. It also provides the guerrillas with Stinger missiles. The United States is attempting to strengthen its efforts to contain future political talks through this aid. It has also adopted a more positive attitude in providing aid to the anti-Vietnamese forces in Democratic Kampuchea led by Sihanouk and Son Sann, and is using dual tactics of pressure and incentive to force Vietnam to withdraw its troops from Cambodia and to break up Soviet-Vietnamese relations.

The United States hopes that the entire Asia-Pacific region can be gradually brought into the orbit of serving U.S. strategic interests by giving play to its superiority in the economic and technological fields and through the "Pacific community." However, this plan may be difficult to realize because it concerns the interests of many countries.

In strategy, the new Soviet leaders are attaching great importance to the Asia-Pacific region, ready to contend with the United States. A series of proposals and plans have been put forth by the Soviet Union through government statements and Gorbachev's speech in Vladivostok, such as the "plan for a comprehensive solution of problems," which concerns the collective security in Asia, the conference of Pacific countries, the nuclear-free zone in the Asia-Pacific region, and so forth. It tries to shift the people's attention from the Soviet deployment of SS-20 medium-range missiles in Asia and the Afghan and Cambodian questions, to contain the "Pacific community" and turn it into "Pacific economic cooperation" favorable for the Soviet Union, and finally to achieve its long-term goal of weakening and isolating the United States. In military affairs, it continues to strengthen its deterrent force and has never slackened its efforts to contend with the United States for control of main strategic sea routes. It has also vigorously enhanced its ability to quickly deploy military forces. In the political field, it has adopted the tactic of disintegration and has made use of the existence of various forces in this region and their contradictions with the United States to win over China, Japan, and the ASEAN countries. In the economic field, to meet the needs of opening up its far-eastern areas, the Soviet Union is trying to lure Japan, by means of absorbing investment and providing natural resources and markets, to compete with the United States. To the ASEAN countries, it has mainly made use of their contradictions with the United States and Japan in economy and trade and provided them with rice and textile markets. As to the South Pacific island countries, it has made use of their contradictions with the United States on the question of fishery and has signed a fishery agreement with Kiribati and established diplomatic relations with Vanuatu, trying to squeeze into the South Pacific region.

Since the Soviet Union regards Afghanistan as an important foothold in the contention for the western part of Asia and in the Middle East, it will not easily give up the occupation of this country. But to gradually reduce the burden of stationing troops there, it is now stepping up its efforts to suppress the guerrillas and to expand the "social basis" of the Najibullah regime, reducing its "leftist" color and improving its appearance, so as to strengthen its position. At the same time, it is making an exploratory compromise in order to seek a way for a "political solution," which will ensure the Soviet sphere of influence. On the Cambodian question, the Soviet Union needs to make certain compromises in order to improve its relations with the ASEAN countries. However, it is reluctant to take real actions and is playing the same trick, trying to help Vietnam and lure the ASEAN countries to swallow the bait.

### III. The Contention in the Middle East Is the Focus [subhead]

Apart from the Asia-Pacific region, the contention between the United States and the Soviet Union is also carried out in other parts of the world, including the southern part of Africa and Central America, and the Middle East is the focus of their contention.

In southern Africa, the United States has tried to make the countries on the frontline cast off Soviet influence and weaken their struggle and the struggle of the Namibian people. It has strengthened its support for the National Union for the Total Independence of Angola [UNITA] and insisted on linking the independence of Namibia with the withdrawal of Cuban troops from Angola, with an aim of squeezing out the military forces of the Soviet Union and Cuba and creating conditions for talks between UNITA and the Angolan Government. [paragraph continues]



Disregarding both internal and external pressures, the United States is not willing to apply real sanctions against the South African racist regime, which suppresses the struggle of black people and attacks the frontline countries. Thus, it has been put in a passive position. The Soviet Union has greatly improved its relations with Zimbabwe and is in a favorable political position on the question of southern Africa. However, restricted by its economic strength and affected by the geopolitical factors, it finds it difficult to accomplish anything.

In Central America, the United States has continued to threaten Nicaragua by military means. Since the Latin American countries are unanimously demanding a political settlement of the central American question and opposing foreign interference and infiltration, the United States cannot but pretend to support the peaceful mediation of the Contadora Group. But in reality, it has placed many obstacles in the way of political settlement. The purpose of the United States is to overthrow the Sandinista government or to force it to change its policy. If the current methods of pressure and force are proved ineffective, the United States will probably send troops directly to Nicaragua under the pretext of supporting the "freedom fighters" there, which it has fostered. The main reason why it has not yet done so are: First, Nicaragua is not a small country like Grenada, which has a weak national defense, but a country that cannot be easily defeated, and second, within the United States, there is strong opposition to direct military interference. Therefore, the Reagan administration is still studying concrete tactics for carrying out "low-intensity warfare" against Nicaragua and is waiting for a suitable opportunity. The Soviet Union is making use of this situation to contain the United States, but is rather careful. It does not wish to have its action overdone and fall into direct confrontation with the United States in the latter's "backyard."

In the Middle East and northern Africa, which are the focus of U.S.-Soviet contention at present, there is uninterrupted political turbulence and military clashes. The United States wants to weaken the Soviet influence in this region, and the Soviet Union wants to weaken the U.S. influence. This contention and the struggle between various factions of political forces make the situation between various factions of political forces make the situation especially turbulent. Around April this year, the Reagan government, which firmly believed that the new Soviet leaders would not take excessive risks in those regions that do not seriously affect its fundamental interests, launched an attack against Libya under the pretext of opposing terrorism, and destroyed some Soviet missile bases, thus making a good score in the contention for the Mediterranean and north African region, offsetting the Soviet influence, and warning the radical Arabian nations. But judging from the overall situation, the United States still has not found a perfect policy. The United States wants to obstruct the development of Soviet influence in the Middle East and the Gulf area through pushing forward the peaceful negotiations on the Middle East question, but since it has not changed its stand of being partial to Israel to the neglect of the fundamental interest of the Arabian countries and the Palestinian people and refused to take into consideration the stand of the moderate Arabian countries, which urge that the United States maintain greater distance from Israel and recognize the PLO's position in the negotiations, the peaceful negotiations have reached an impasse. However, the United States is making continuous efforts, trying to break the impasse by holding a tripartite summit conference for Egypt, Jordan, and Israel. This was a proposal made by Bush during his Middle East trip, but the result is not as satisfactory as expected. In an attempt to resume the negotiations, the United States has also made Morocco and Egypt respectively hold direct talks with Israel.

The Soviet Union has made a full use of this basic weakness of the United States, which is partial to Israel and neglects the Arabian countries, and the differences among the Arabian countries, and has made important readjustments in its tactics. It has not only maintained its influence on some radical countries, but has also made marked achievements in drawing over some moderate countries, which have had traditional relations with the United States. It established diplomatic relations with Oman and the United Arab Emirates, agreed to provide Saudi Arabia with SA-7 guided missiles immediately after the United States refused to provide it with anti-aircraft missiles, and signed an agreement with Jordan on providing weapons. In this way, it has greatly disturbed U.S. arrangements. Moreover, it has also made great efforts to maintain relations with various conflicting parties, to mediate among various factions of the PLO, to contact various factions in Lebanon, and to improve relations with Israel. Its proposal on holding a preparatory meeting on the Middle East question, to be attended by the permanent members of the Security Council, has received a response from Jordan, Egypt, and Syria. The Soviet Union has made some proper arrangements in the Middle East. Once the conditions are ripe, it may be able to change the current situation in which the negotiations are controlled by the United States. All the tit-for-tat measures adopted by the Soviet Union and the United States are concrete efforts to step up their contention in the Middle East.

#### IV. Look Into the Future [subhead]

1) Both the United States and the Soviet Union want to expand their spheres of influence through regional contention, but it is difficult for them to attain their goals. This is because both of them are restricted by many factors and cannot do whatever they wish to do. Although the United States has a great goal and is comparatively superior in the economic, scientific, and technological fields, it has overestimated its strength and does not have sufficient and feasible measures to attain its goal. It is generally estimated that the economic growth rate of the United States will be about 3 percent this year, but problems such as high deficits, the unfavorable balance in foreign trade, and more than \$2,000 billion of national debts are difficult to solve, and the outlook is not optimistic in ensuring a steady economic growth. The congressional move on balancing the budget has greatly restricted the Reagan Administration's efforts to increase military expenses and foreign aid. The military expenses for the financial year of 1986 were reduced from \$322 billion to \$297.4 billion, the greatest reduction since 1981. It is expected that the expenses will be further reduced in the next 2 years. In addition, the conflicts between various political parties and groups and the apprehensions of various circles on direct involvement in the regional clashes have also obstructed the implementation of "Reaganism." The new Soviet leaders are determined to carry out economic reforms, but due to all kinds of obstruction, they cannot easily achieve their goal. In regional contention, the Soviet Union is trying to maintain its previous spheres of influence while seeking opportunities to grab more. Thus, its burdens will certainly become heavier. Both the United States and the Soviet Union dare not act rashly and carelessly in their contention for fear that they may directly conflict with each other. Their powers to control their allies are both declining. Proceeding from their own interests, the allies need to promote their relations with the Third World countries. Therefore, they have differences in principle with the United States and the Soviet Union on the regional question and are unable to act entirely as these two countries would wish. The Third World countries and people, which are direct victims of the U.S.-Soviet contention, will certainly not allow others to manipulate their destinies. [paragraph continues]

All this shows that both the United States and the Soviet Union will not be sufficiently capable of carrying out their ambitions and they will have to maintain dialogues in their struggle. They will continue the confrontation, but will not let it go out of control, and they will continue their dialogues, but will not slacken their efforts in the contention. This will be the law and pattern of U.S.-Soviet relations in a rather long period to come, which will not be changed by the aggravation of their regional contention.

2) There is generally a balance between the United States and the Soviet Union in their relative strength at present. None of them has the strength to break the strategic impasse. Therefore, the phenomena such as one side launching successive attacks against the other and quickly occupying some of its positions are unlikely to appear. The basic situation will still be characterized by alternate offensive and defensive moves by both sides, each having its gains and losses. As a result of their long-term contention and expansion over the past decades, both sides are actually in an overloaded economic situation at present and need to carry out readjustment and accumulate strength. Reagan is expecting that the Strategic Defense Initiative will be passed and carried out, so as to stimulate and develop the new concept, gigantic, and comprehensive force of science, economy, and national defense and so as to lay a material basis for gradually seizing over the strategic superiority against the Soviet Union. However, this gigantic plan will cost thousands of billions of U.S. dollars and will take up to a generation to effect. Moreover, there are still endless debates within the United States over the feasibility of this plan in strategy and technology. The Soviet Union is determined to readjust both its internal and external policies so as to enhance its national strength and to effectively contend with the United States for hegemony. However, it needs long-term efforts to implement this policy. Under this situation, the United States has to try to weaken the strength of the Soviet Union and raise obstacles to its economic progress. At the same time, it is trying to make strategic arrangements in all points while stepping up the regional contention so as to gradually complete the strategic encirclement against the Soviet Union. On the other hand, the Soviet Union is trying to make use of various contradictions to destroy the relationships between the United States and various allied countries and moderate developing countries so that a united front can be formed to isolate the United States. Its resolution and internal potentials in this respect must not be neglected. From this we can foresee that the U.S.-Soviet regional contention will be very complicated and will be a protracted seesaw battle.

3) What merits our attention is that at present, both sides are trying to seek limited compromises while stepping up their contention. Gorbachev needs to relax Soviet-U.S. relations so as to create favorable conditions and have more time to promote the economy. Taking both internal and external political interests into consideration, Reagan needs to make certain achievements in foreign affairs before he leaves office. Similarly, he needs to make certain compromises with the Soviet Union. He has repeatedly emphasized the question of hot spots and related it to the negotiations on arms control. Gorbachev, on the other hand, has launched a "proposal warfare" and delivered a speech in Vladivostok. The U.S. and Soviet officials have held consultations on some regional questions. All this shows that after having a trial of strength and finding out the real strength of the other side, and through one or more rounds of summit talks, the possibility cannot be ruled out that both sides may finally reach an agreement on limited arms control or even reach a temporary compromise on the Afghan question.



4) The struggle of the Third World countries and the people in various regions to maintain independence, oppose hegemonism, and to seek peace and development will certainly have bright prospects, and the influence and control of the United States and the Soviet Union will be further weakened. This trend of development in history can be proved by the following facts: 1) Since what the U.S. and Soviet hegemonists have done in the political and economic fields has seriously harmed the sovereignty and fundamental interests of the Third World countries, they will encounter greater and greater resistance in the future. The history of the past 40 years since World War II is also a history of the struggle between the United States and the Soviet Union on the one side and the Third World countries and people on the other for control and anti-control. In political affairs, not entering into alliance with the two hegemonists has become the main trend in the Third World countries. In the United Nations and other international arenas, the developing countries are achieving greater successes in their mutual consultation and cooperation to safeguard their rights and interests and to support just causes. 2) The development of the political trend of dissenting from the United States and the Soviet Union reflects the further development of the nationalist forces. At present, all the Third World countries have more or less kept themselves at a distance from the two hegemonists, and the centrifugal trend among some Third World allies and close friends has been developing. Some countries, which have maintained relatively closer relations with the United States, are also developing relations with the Soviet Union, and those which have been partial to and side with the Soviet Union have begun to improve their U.S. relations. Their contradictions with the United States and the Soviet Union are gradually developing. At the same time, they are using the contradictions between the United States and the Soviet Union to develop their own countries. This is becoming a law in the current situation. 3) Regional cooperation has been gradually promoted. In various fields, such as in eliminating differences, strengthening unity, exploring ways for South-South cooperation, promoting South-North dialogues, and demanding the establishment of a new international economic order, the ASEAN, the South-Asian Regional Cooperation, and other multilateral organizations are working hard to overcome difficulties and make contributions. The cooperation between the ASEAN countries and the Gulf countries in defense affairs and the efforts made by some South Pacific nations for establishing a nuclear-free zone are obvious to all. 4) Many developing countries have made use of Western Europe's contradictions with the United States and the Soviet Union to promote economic cooperation, trade, and political consultations with it. Their relations are becoming closer and closer with each passing day. Their contacts, which are based on equality and mutual benefit, are good for both sides. At present, the mass movements in various countries and regions including the United States and the Soviet Union to oppose war and nuclear weapons and to safeguard peace are just in the ascendant. This shows that the people throughout the world are thirsting for peace and stability.

The time that the United States and the Soviet Union could dominate and monopolize world affairs is over. The affairs of various regions and nations can only be decided by the nations and people concerned. A multipolar world is arising.

The old-line colonialist system has collapsed, and the United States and the Soviet Union, which advocate hegemonism, are doomed to failure. The people of the Third World countries, who are fighting for peace and development together with the people of all other countries, will certainly achieve more brilliant successes!

PRC URGES TIMETABLE FOR USSR AFGHAN WITHDRAWAL

OW050228 Beijing XINHUA in English 0214 GMT 5 Nov 86

[Text] United Nations, November 4 (XINHUA) -- China urges the Soviet Union to withdraw all its troops from Afghanistan, Chinese permanent representative to the United Nations, Li Luye said today.

Addressing a plenary session of the U.N. General Assembly on "the situation in Afghanistan and its implications for international peace and security," Li said if the Soviet Union is really sincere about political settlement, it should work out a reasonable timetable as soon as possible to withdraw its troops, consulting the other parties concerned.

While procrastinating on troop withdrawal, the Soviets have intensified their suppression against the Afghans fighting the aggression, Li noted.

At the same time, he said, the Kabul regime backed by the Soviet Union has increased its intrusion into Pakistan's territory and air space, thus posing a serious threat to peace and stability in the region.

Mentioning the recent Soviet withdrawal of six regiments from Afghanistan, the Chinese representative said: "Should the troop withdrawal be carried out at such a pace, no one knows how many years it would take to complete the total withdrawal."

The Soviets say as long as they see so-called "foreign interference" in Afghanistan, they will never abandon their neighbor "in its hour of trial." The Chinese ambassador said this means the troops already withdrawn may return at any time.

Li said one must not accept the military occupation of one country by another as "legitimate" and even describe it as a "good deed" if one is not to allow total chaos in the world.

He expressed support and appreciation to the Pakistan Government for upholding the fundamental principles of the relevant resolutions of the U.N., calling for the withdrawal of Soviet troops from Afghanistan and persisting in its efforts to seek a political solution to the Afghan issue.

WAN LI MEETS ASIAN SCIENCE FEDERATION OFFICIAL

OW031324 Beijing XINHUA in English 1306 GMT 3 Nov 86

[Text] Beijing, November 3 (XINHUA) -- Vice-Premier Wan Li met A.K. Sharma, chairman of the Federation of Asian Scientific Academies and Societies, and his party here today.

The guests are here for the 2-day Third Council meeting of the federation which began yesterday. The participants are from eight countries including China, India, Malaysia and Singapore.



U.S. WARSHIPS ARRIVE, WELCOMED IN QINGDAO

OW050834 Beijing XINHUA in English 0812 GMT 5 Nov 86

[Text] Qingdao, November 5 (XINHUA) -- Three warships of the United States Pacific Fleet arrived here today for a friendly, courtesy call to this east China port.

This is the first time for U.S. warships to visit China after its liberation in 1949.

The three warships, with some 900 officers and men on board, are under Admiral J.A. Lyons, commander-in-chief of the U.S. Pacific Fleet.

The three vessels, the 161-meter guided missile cruiser "Reeves", the 170-meter destroyer "Oldendorf", and the 137-meter guided missile frigate "Rentz", will stay here until November 11.

A welcoming ceremony was held at the port by the North China Sea Fleet of the Chinese Navy. Commander of the fleet Ma Xinchun and leading officials of the Shandong Province and Qingdao City attended the ceremony.

The coming of the U.S. warships was officially announced by China and the United States early last month during U.S. defense Secretary Caspar Weinberger's visit to China.

During the U.S. warships' presence at the Qingdao Port, three Chinese Naval vessels will moor nearby to play host to the American warships. Sailors of the two navies will visit each other on their ships in the next few days.

Crews of the U.S. ships will visit Qingdao's famous beer brewery and Laoshan, a nearby mountain famous for its Taoist temples and mineral water. Some of the crews will go to Confucius' birthplace, Qufu, southwest of Qingdao, and the famous Taishan Mountain, west of Qingdao.

BEIJING TO HOST FINANCIAL SYMPOSIUM ON U.S.

HK040901 "Beijing CHINA DAILY in English 4 Nov 86 p 2

[By staff reporter]

[Text] The People's Bank of China and the New York Stock Exchange will jointly open a symposium on Chinese and American financial markets on November 10 in Beijing.

About 35 representatives from financial circles of the United States and 200 from China's banks, the State Insurance Company and the China International Trust and Investment Corporation are expected to attend the four-day symposium.

Representatives will give lectures on and discuss topics including the history and management of the New York Stock Exchange, governments' role in financial markets, stock markets' effects on the American economy and society, analysis and forecasts of American economy.

OW040933 Beijing in Japanese to Japan 0930 GMT 3 Nov 86

[Excerpts] Since the beginning of the 1980's trade, economic, and technological cooperation between China and the USSR has developed vigorously. Let us talk today about recent developments in the trade between China and the USSR.

The volume of China-USSR trade from 1981 to 1985, including both exports and imports, amounts to 10 billion Swiss francs, exceeding the total amount for the 10 years since 1970. The volume of trade in 1985, including both exports and imports, reached 4.6 billion Swiss francs, setting a record in annual trade for the past 25 years. According to statistics of China's foreign trade in 1985, China's trade with the USSR that year ranked sixth, following its trade with Japan, Hong Kong and Macao, the United States, West Germany, and Singapore. [passage omitted]

During Vice Premier Yao Yilin's visit to the USSR in 1985, the two sides signed a government agreement on long-term trade from 1986 to 1990 and an agreement on economic and technological cooperation in construction and renovation of industrial projects in China. On the basis of these agreements, trade and economic cooperation between China and the USSR would be promoted steadily in various forms and in expanded fields for the next 5 years.

This is the first year for the promotion of trade and economic cooperation, and through mutual efforts a good start has been made with studies for 24 new and renovation projects already started. [passage omitted] Generally speaking, conditions and foundations for promoting trade between China and the USSR have been further strengthened.

In particular, it should be pointed out that border trade with the USSR has rapidly developed in China's Heilongjiang Province and Nei Monggol Autonomous Region since 1983. The total volume of border trade between Heilongjiang and Nei Monggol on the one hand and the USSR on the other from 1983 to 1985 amounts to 140 million Swiss francs. Border trade is not confined to Khabarovsk and the coastal regions but has been expanded to Buryat ASSR, Sakhalin, and Irkutsk. In addition, on the basis of a document exchanged between China and the USSR on 23 January 1986, China's Xinjiang Uygur Autonomous Region has started border trade with the USSR's Kazakh, Kirgiz, Tadzhik, Turkmen, and Uzbek SSRs. A Xinjiang trade delegation visited Alma Ata in the USSR last August and staged a trade fair for the first time. The fair was warmly welcomed and highly appraised by the Soviet people concerned. Through friendly talks, the two sides signed an agreement on the export and import of commodities.

The smooth development of border trade between the two countries significantly supplements the government trade. It not only helps activate the economy in the border areas of the two countries but also promotes friendship between the peoples of the two countries in the border areas.

In reviewing the past 5 years, trade and economic relations between China and the USSR have developed in a satisfactory way. Looking into the future, China and the USSR have considerable potential for promoting trade and developing economy. This potential can be brought into full play through mutual efforts.

At present, trade and economic cooperation between the two countries is not being promoted on a large scale or in many forms. For example, such forms of cooperation as cooperative production, joint ventures, compensatory trade, processing trade, sample processing trade, construction work and labor supply contracts, have not been utilized. These are forms that still must be studied and examined by both sides.

LI XIANNIAN MEETS JAPANESE FRIENDSHIP OFFICIAL

OW041401 Beijing XINUUA in English 1323 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- Chinese President Li Xiannian and Yoshimi Furui, head of the Japan-China Friendship Guild, discussed the development of Sino-Japanese friendship and cooperation here today.

The 83-year-old Yoshimi Furui was former chairman of Japan's Dietmen's League for Japan-China Friendship.

During the meeting, Li spoke highly of Yoshimi Furui's contribution to the promotion of Sino-Japanese friendship, adding that the Chinese and Japanese people would never forget those who have worked for the cause.

China and Japan are close neighbors separated only by a strip of water, Li said. Politicians, economists, artists and people of every sector of the two countries should treasure such relations, refrain from saying or doing anything to damage those relations and help the existing friendship last from generation to generation.

Yoshimi Furui held that once the two countries, which have their own strong points, join hands, it will benefit both the people of the two countries and world peace.

Sun Pinghua, president of the China-Japan Friendship Association, attended the meeting.

Yoshimi Furui and his party arrived here earlier this week as guests of Sun's association. Sun held a banquet for them here tonight.

DPRK VICE PRESIDENT MEETS HEILONGJIANG GROUP

OW010203 Beijing XINHUA Domestic Service in Chinese 1511 GMT 29 Oct 86

[Text] Pyongyang, 29 Oct (XINHUA) -- DPRK Vice President Yim Chun-chu received a Chinese goodwill delegation from Heilongjiang Province at the Mansudae Assembly Hall in Pyongyang today.

Yim Chun-chu had a friendly conversation with the Heilongjiang delegation, led by Governor Hou Jie. Yim Chun-chu said: In recent years relations of friendship and cooperation between Korea and China have been developing favorably in the interests of the people of the two countries. Contacts between, and exchanges of delegations of the two countries have been increasing, and the ties between the border provinces of the two countries have been growing. This is a very good thing.

The Chinese goodwill delegation from Heilongjiang arrived in Korea for a visit on 20 October at the invitation of the Administrative and Economic Guidance Committee of North Hamgyong Province, Korea. (Cho Su-sung), chairman of the Administrative and Economic Guidance Committee, paid a visit to Heilongjiang Province not long ago, during which leaders of the Chinese and Korean provinces discussed in depth the questions of strengthening political unity and friendship, expanding economic cooperation, and increasing scientific, technological and cultural exchanges.

BURMESE DEPUTY FOREIGN MINISTER LEAVES FOR PRC

OW051140 Beijing XINHUA in English 1135 GMT 5 Nov 86

[Text] Rangoon, November 5 (XINHUA) -- Burmese Deputy Foreign Minister U Saw Hlang left here for Beijing this afternoon for signing the protocol on China-Burma boundary inspection.

The draft protocol on the first joint inspection of the China-Burma boundary and the maps attached to it were signed in Rangoon last June. The first joint inspection of the boundary, which began in December 1984, had ended successfully.

It is learned that during their one-week tour of China, U Saw Hlang and his party will also visit Guangzhou, capital of Guangdong Province, and the Shenzhen Special Economic Zone in south China.

PRC DELEGATE ADDRESSES BANGKOK ESCAP SESSION

OW041721 Beijing XINHUA in English 1535 GMT 4 Nov 86

[Excerpt] Bangkok, November 4 (XINHUA) -- Representatives of some 20 countries in the Asian and Pacific region gathered here today to deliberate on policy issues related to the economic development of the region. The meeting, the sixth session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) on Development Planning, will go through November 10.

Inaugurating the session, ESCAP Deputy Executive Secretary Koji Nakagawa stressed that a deteriorating and uncertain external economic environment is still one of the main difficulties facing the region's economy.

The hopes raised by the strong recovery in the United States two years ago have steadily diminished and have been clouded by increasing uncertainties about the prospects of growth in the world economy, he said.

He maintained that the external economic environment influences the pace and pattern of economic development in the ESCAP region, for most of the smaller economies here are crucially dependent on the external economic environment.

He explained the fact that the ESCAP member countries have performed better than those in other regions should not be construed as evidence of their insulation from the international economic environment, but "interpreted as resilience achieved at considerable cost and sacrifice."

He called upon ESCAP member countries to increase cooperation, diversify and restructure their economies so as to mitigate the effects of external economic environment. He also praised China and India for having achieved "good record of growth" in this decade.

Chinese representative Zhong Shukong, while giving a brief account of China's 7th Five-Year Plan (1986-1990), said that the plan can be regarded as a plan for opening to the outside world.

He told the audience that China is ready to expand economic and trade relations with other countries and areas in the ESCAP region, to actively import advanced technologies and to utilize foreign capital. [passage omitted]



NETHERLANDS PRIME MINISTER MEETS NPC DELEGATION

OW041729 Beijing XINHUA in English 1558 GMT 4 Nov 86

[Text] The Hague, November 4 (XINHUA) -- Dutch Prime Minister Ruud Lubbers said today that he hopes the Netherlands and China will intensify cooperation in economic and technical fields and in the trade and service sectors.

Lubbers made these remarks when receiving the visiting Chinese delegation, led by Fu Hao, member of the Chinese National People's Congress (NPC) Standing Committee and vice chairman of its Foreign Affairs Committee.

The delegation arrived here yesterday for a one-week friendly visit at the invitation of the Foreign Affairs Committee of the Second Chamber of the Dutch Parliament.

Lubbers told the Chinese that Sino-Dutch relations have developed and gained momentum in the past few years. He added that there are still broad prospects for the development of friendly relations and cooperation.

Lubbers recalled that the visit of Chinese Premier Zhao Ziyang to the Netherlands last year left him with a profound impression. He said he too wishes to visit China again at an opportune time.

The Dutch prime minister also exchanged views with the Chinese visitors on international issues of interest to both sides.

WU XUEQIAN ATTENDS BELGIAN MINISTER'S RECEPTION

OW041717 Beijing XINHUA in English 1511 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- Visiting Belgian Minister of Communications and Foreign Trade Herman de Croo, on behalf of King Baudouin, conferred medals here today at Belgian Embassy on three Chinese scholars, in recognition of their efforts in promoting Sino-Belgian scientific and economic ties.

The minister gave the medals at the reception given by Belgian Ambassador to China Jan Hollants van Looke in celebration of the 15th anniversary of the establishment of diplomatic relations between China and Belgium.

Wu Huanxing, late Chinese tumour expert, was awarded "Officer of the Crown", who was represented by his wife Mao Zhiying. World-famed geophysicist Chen Zong-ji received "Officer in the Order of Leopold II" while economist Chang Chongyang, who is abroad, was given "Knight in the Order of Leopold II". He was represented by Shi Weisan, vice president of University of International Business and Economics.

Among those attending the reception were Wu Xueqian, state councillor and minister of foreign affairs, and Yang Jingren, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference. Diplomatic envoys of various countries to China were also present.



REACTION OF WEST EUROPE TO ICELAND MEETING

HK020100 Beijing RENMIN RIBAO in Chinese 31 Oct 86 p 6

["Commentary" by reporter Jiang Jianguo (3068 1696 0948): "A Comment on Kohl's Visit to the United States -- Reaction of West Europe to the Iceland Meeting"]

[Text] Federal German Chancellor Kohl's recent visit to the United States caused great attention in West Europe, because it was the first meeting between a head of state of a West European country and U.S. President Reagan after the Iceland meeting. During the last day of his visit, Kohl conveyed an important message to the United States at a gathering held by the Foreign Relations Association in Chicago: "The pace of disarmament should not lead to the weakening of security in West Europe. Instead, it should strengthen security in the region." These remarks reflected the desires of West Europe and West Germany for disarmament talks covering a certain period of time in the future.

After the U.S.-Soviet summit meeting in Iceland, people in the West German capital Bonn observed an interesting change: right from the very beginning, politicians thought that Reagan had not fully taken into account the security and interests of West Europe. Instead of feeling sorry, uneasy, worried and disappointed at the failure of the meeting, they were worried about an agreement reached at the meeting, which would hamper the interests of West Europe. As revealed by SUDEUTSCHE ZEITUNG, Chancellor Kohl even believed that the meeting broke off at the right time, and that such summit meetings, which fail to consider all the details and all the consequences are "dangerous."

The West German Government was worried about the meeting mainly because of the following factors:

1) The problem of the "zero point settlement" of the medium-range missiles. Reagan and Gorbachev made an initial decision through discussions on completely demolishing medium-range missiles deployed by both sides in Europe. They also decided that both sides would only retain 100 nuclear warheads each deployed in U.S. territory and the Asian part of the Soviet Union. West Germany maintained that this method was not in accord with the principle of "transitional settlement" devised by the NATO, and that Reagan had yielded to the Soviet's "zero point settlement" plan. Under circumstances in which the Soviet Union possesses a large quantity of medium-range missiles and the number of its conventional weapons exceeds that of the West, adopting the "zero point settlement" plan would undermine the balance between the East and the West. West Europe will inevitably be placed under the military and political pressure of the Soviet Union. Therefore, West Germany is most worried about the consequences resulting from the implementation of the plan. It believes that the lopsided "zero point settlement" will deprive the West of a sufficient means to deter the Soviet Union, and will separate nuclear defense of the United States from that of West Europe. FRANKFURTER ALLGEMEINE said in an editorial: "Without the nuclear arsenal of the United States, NATO would have no effective strategy, deterrent strategy, or sufficient defense power." Chancellor Kohl also held that the conditions for creating a nonnuclear Europe does not yet exist.

2) West Germany is also worried about the superiority of the Soviet short-range missiles. Reagan and Gorbachev decided through discussions to freeze medium-range missiles with range of less than 1,000 km, and short-range missiles with a range of between 150 to 500 km. They also began discussing the problem of the complete destruction of nuclear weapons. [paragraph continues]

Because all these Soviet missiles are mainly aimed at West Germany, and that the proportion of such missiles between the West and the Soviet Union was 1 to 10, such a decision was in the interests of West Germany. It was gratified by that. In the meantime, West Germany feels obviously worried about the possibility that if no agreement is reached by both sides at the longdrawn-out negotiations, the Soviet Union would actually maintain its military means of placing West Germany under pressure. Therefore, West Germany cannot fold its hands and await the results of the talks. It has maintained that reaching an agreement on freezing nuclear weapons and the continuation of talks alone is insufficient. The Western alliance should stress its right of possessing qualitative equality of similar kinds of missiles. If the aim of the talks, of completely destroying nuclear weapons, cannot be attained, NATO should consider the deployment of short-range missiles to counter the Soviet Union.

3) What West Europe and West Germany worry about most is that the extensive disarmament proposals discussed by the United States and Soviet Union might bring some fundamental strategic changes to NATO. During the Iceland meeting, Reagan persisted in the attitude that SDI [Strategic Defense Initiative] is not negotiable, showing that the United States put SDI above everything else. At a NATO nuclear planning group conference held a few days ago, U.S. Defense Secretary Weinberger explicitly said that SDI is the basis for "the new structure of U.S.-Soviet strategic relations." Nevertheless, West Europe knows very well that SDI is mainly for the protection of U.S. territories and that it is difficult to predict whether it would benefit West Europe. Therefore, West Germany feels very concerned about how the United States treats "the strategy of nuclear deterrent" always employed by NATO as well as NATO itself.

During his visit to the United States, Chancellor Kohl held several conferences with Reagan in succession and Reagan informed Kohl of his meeting with Gorbachev. Kohl expressed his support for the U.S. stand in the arms control talks and agreed to regard the conditions discussed by the two parties of the Iceland meeting as a basis for future talks while stressing that the arms control talks should not harm the safety and interests of West Europe. It is reported that Reagan conscientiously listened to Kohl's opinions and said he would seek "an appropriate forum" for the reduction of conventional arms. Nevertheless, the news from the other side of the ocean have not yet confirmed how the United States would embody the interests of West Europe in its future talks with the Soviet Union.

Following the Iceland meeting, the opinions aired by West Europe are noteworthy. West Germany has already noted that West Europe would have no diplomatic interests in the absence of security interests. Personages of the political circles in Britain and France have also expressed similar worries in many ways. Some NATO countries are also examining the status and role of the NATO nuclear weapons following the Iceland meeting. A certain change has already taken place in the relationship between Europe and the United States. During his visit to the United States, Kohl said that the medium and small countries in West Europe should actively participate in the East-West dialogue. This remark is intended for both Washington and Moscow. As for how would they understand it, it is quite a different thing.

#### XU XIN AT ITALIAN ARMED FORCES DAY RECEPTION

OW040906 Beijing XINHUA in English 0854 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- The Italian Armed Forces day was marked at a reception given here today by Colonel Luciano Forlani, military, naval and air attache to the Italian Embassy in China. Xu Xin, deputy chief of the General Staff of the Chinese People's Liberation Army, attended.

POLISH STATE COUNCIL OFFICIAL FETED IN BEIJING

OW041405 Beijing XINHUA in English 1328 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- Chu Tunan, vice-chairman of the National People's Congress Standing Committee, met and feted Mlynczak, chairman of Democratic Party and vice-president of the State Council of Poland, and his party here tonight.

The Polish guests, who arrived here from Korea earlier today, were also honored at a luncheon given by Fei Xiaotong, vice-chairman of the Chinese People's Political Consultative Conference National Committee.

PRC ENVOY GIVEN ORDER OF YUGOSLAV FLAG BY HASANI

OW031643 Beijing XINHUA in English 1634 GMT 3 Nov 86

[Text] Belgrade, November 3 (XINHUA) -- Yugoslav President Sinan Hasani today conferred an Order of the Yugoslav Flag With Ribbon to Chinese Ambassador Xie Li for his contributions to the development of cooperative ties between Yugoslavia and China.

At the ceremony, Hasani highly praised the improvement of such relations.

Xie expressed his thanks for the medal and said the honor is a symbol of friendship between the two nations.

Xie Li is to leave at the expiration of his three-year term as the ambassador to Yugoslavia.

GUIZHOU DELEGATION WINDS UP YUGOSLAVIA VISIT

OW021345 Beijing XINHUA Domestic Service in Chinese 1317 GMT 30 Oct 86

[Text] Belgrade, 30 Oct (XINHUA) -- Milos Milosavljevic, vice president of the Yugoslav Federal Executive Council and chairman of the Yugoslav side of the Yugoslav-Chinese Mixed Committee for Economic, Scientific, and Technological Cooperation, met with Guizhou Provincial Governor Wang Chaowen and had a cordial conversation with him in Belgrade this morning.

The Guizhou provincial delegation led by provincial Governor Wang Chaowen arrived here on 23 October on a friendly visit to Yugoslavia.

During the week-long visit the Guizhou provincial delegation mainly visited the Republic of Montenegro. The delegation members visited some industrial and agricultural labor organizations and tourist facilities and attended talks with principal party and government leaders of the Republic of Montenegro on the question of developing bilateral cooperation. On 29 October the two sides signed a protocol on establishing relations of friendship and cooperation between Guizhou Province and the Republic of Montenegro in Titograd, capital of the Republic of Montenegro.

The Guizhou provincial delegation wound up its friendly visit to Yugoslavia and left for home by plane this afternoon.



XINHUA ANALYZES U.S. HOSTAGE'S RELEASE IN LEBANON

OWO41151 Beijing XINHUA in English 0756 GMT 4 Nov 86

["News analysis: Behind American Hostage's Freedom in Lebanon" -- XINHUA headline]

[Text] Beirut, November 3 (XINHUA) -- The release of a long-time American hostage yesterday, and any future releases of Western hostages, indicates that Syria and Iran may be undertaking a diplomatic public relations campaign.

Last Friday, Iranian Foreign Minister Akbar Velayati flew to Damascus as rumors swirled of the release of American hostages in Lebanon, where Syria is the main power broker. Two days later, 55-year-old David Jacobsen, director of American University Hospital in Beirut was freed after 17 months in the captivity of the pro-Iranian fundamentalist group, Islamic Jihad (holy war).

U.S. White House Chief of Staff Donald Regan, appearing on the ABC television last night, declined to identify the mediators, but he did say Syria has played a minimal role.

Unconfirmed reports had Washington giving Syria an ultimatum on October 10 to prove it could take action against terrorism. On the same day European Economic Community (EEC) members discussed sanctions against Syria, prompted by Britain's reports of Syrian support for terrorist acts there.

On October 24, the British Government severed diplomatic relations with Syria for its support role in a foiled attempt to plant a bomb aboard an Israeli airliner in London last April. Syria has denied any involvement in terrorist acts.

Following Britain's sanctions call, Federal Germany has suspended the appointment of a new ambassador to Damascus while France stopped arms sale to Syria. However, most EEC governments have refused to take action against Syria.

Syria may be trying to relieve some of this international pressure by restraining its allies in the Middle East, and this includes efforts to free Western hostages in Lebanon, diplomatic sources said here. In July, Syria aided in the release of two French hostages, and deflected international pressure on itself to some extent.

Meanwhile, Iran, which has been warring with neighboring Iraq for more than six years, has started to work for the freedom of these hostages. It is apparently a friendly gesture to Western countries.

As the long war appears to be going Iran's way, well-informed sources disclosed that Iran is designing a comprehensive diplomatic strategy to follow its victory. This strategic attempt to gain influence in Lebanon and in the Middle East as a whole required Iran to lessen the tensions which have been hurting the Teheran government. If Iran can be effective in its attempts to free the foreigners, it seems likely to realize substantial diplomatic gains, the source added.

Now there are 20 foreigners held by fundamentalist groups in Lebanon. Most of them were kidnapped by the pro-Iranian Hezbollah (party of god) and Islamic Jihad, but are imprisoned in the Syrian-controlled Al-Biqa' Valley in eastern Lebanon. There are six Americans, one Frenchman and two Britons in the hands of the fundamentalists.

HU QILI MEETS BOLIVIAN REVOLUTIONARY GROUP

OW011719 Beijing XINHUA in English 1548 GMT 1 Nov 86

[Text] Beijing, November 1 (XINHUA) -- Hu Qili, member of the Political Bureau and Secretariat of the Central Committee of the Communist Party of China, met here today a delegation from the Bolivian Nationalist Revolutionary Movement led by Jose Luis Harb Alvarez, executive chairman of the movement.

Hu spoke highly of the 1952 revolution led by the movement, saying that the revolution shook the whole of Latin America. He also expressed gratitude for the efforts made by the movement in the Bolivian Congress to promote the establishment of diplomatic ties between the two countries and improve their relations.

Hu expressed his pleasure that the Bolivian Nationalist Revolutionary Movement had become the ruling party again after the general election and had begun to overcome difficulties to revitalize the economy.

He said both China and Bolivia are now confronted with the task of developing their countries' economies and maintaining world peace. He said China attaches great importance to its contacts and sharing of experiences with other Third World countries, including Bolivia.

Hu hosted a dinner for the Bolivian visitors after the meeting.

PENG ZHEN AT NPC PERUVIAN RELATIONS RECEPTION

OW311658 Beijing XINHUA in English 1627 GMT 31 Oct 86

[Text] Beijing, October 31 (XINHUA) -- A reception to mark the 15th anniversary of the establishment of diplomatic ties between China and Peru was held here today by the Chinese People's Association for Friendship With Foreign Countries and the China-Latin America Friendship Association.

At the reception, Chu Tunan, vice-chairman of the Standing Committee of the National People's Congress (NPC), expressed gratitude on behalf of the Standing Committee of the NPC for the bill passed by the Peruvian Congress congratulating China on its national day every year. He also congratulated Fernando Leon de Vivero and Armando Villanueva on their reelection as president of Peru's Senate and president of the Chamber of Deputies, respectively.

Among the guests were also Liu Gengyin, vice-president of the Chinese People's Association for Friendship With Foreign Countries and Peruvian Ambassador to China Roberto Villaran Koechlin. Both of them recalled the continued development and ever-increasing exchanges of cooperation between the two countries in politics, economy, culture and other fields since the establishment of diplomatic relations between the two countries. They hoped for further development of friendly cooperation between the two sides.

Peng Zhen, chairman of the Standing Committee of the NPC, and Vivero and Villanueva exchanged messages of congratulation on the 15th anniversary of the establishment of diplomatic ties between the two countries.



LIAOWANG DISCUSSES CPC SESSION RESOLUTION

HK0/1549 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 43, 27 Oct 86 p 1

["Letter From Beijing" by Bao Xin (7637 0207): "An important Change in Formulation in the 'Resolution' of the CPC Sixth Plenary Session"]

[Text] My dear friend,

In your letter, you raised this question: At the 12th CPC National Congress, which was held in September 1982, it was decided that "a socialist spiritual civilization with communist ideology at its core" be built. But 4 years later, in the "CPC Central Committee's Resolution on the Guiding Principles for Building Socialist Spiritual Civilization," which was adopted at the 6th Plenary Session of the 12th CPC Central Committee in September this year, the phrase "with communist ideology at its core" is missing. Why? This question has indeed aroused people's attention. In studying this document, some mainland cadres have raised and discussed the same question.

People generally think that the resolution adopted at the 6th Plenary Session of the 12th CPC Central Committee is based on and has developed from the 12th CPC National Congress's strategic decision to strive to build a material civilization and a socialist spiritual civilization at the same time. Over the past 4 years, remarkable progress has been made in building spiritual civilization. However, we have also encountered some problems. To adapt ourselves to the new situation and to clarify the guiding principles for building spiritual civilization, it is necessary to appropriately amend some particular propositions. This is something acceptable.

Communism refers to two things: First, it refers to the ideological system of the proletariat, that is, the communist doctrine founded by Marx and Engels. And second, it refers to a certain social system. If "communist ideology" refers to the former, then it can be seen that it is clearly and appropriately pointed out in the "resolution" that socialist spiritual civilization should be "guided by Marxism." As a social system, communism has two stages: An initial stage -- that is, socialism -- and an advanced stage -- that is, communism. The word "communism" normally refers to the advanced stage. The Chinese socialist society is still at the initial stage and it will take China quite a long time to become a modernized socialist power. Thus, at the present stage, China's spiritual civilization can only be a socialist one.

It is also distinctly pointed out in the "resolution" that at present, the common aspiration of all nationalities in China is to build socialism with Chinese characteristics. Thus, it is necessary to respect, uphold, and develop various positive ideas and various kinds of positive spirit, to eliminate insular viewpoints that have been causing serious trouble for a long time, "leftist" viewpoints in particular, and to unite with various forces in order to jointly fight for the realization of our common aspiration. In addition, some people have pointed out that for quite a long time in the future, China must develop many economic components on the premise that public ownership will remain dominant and, with co-prosperity as its goal, encourage some people to become rich before others. Under such historical circumstances, it is necessary to accept, in moral construction, the reasonable difference in distribution among the people and to encourage people to act in a socialist collective spirit. For communists and the advanced, communism is the loftiest ideal. [paragraph continues]

In their opinion, socialism with Chinese characteristics is an inevitable stage in the course of realizing this ideal. They should stand in the forefront of the times, courageously explore, be selfless and devoted, and carry forward the communist spirit and communist moral values. This spirit and these moral values should also be advocated and encouraged in society. Thus, in building socialist spiritual civilization and in socialist moral construction, it is necessary to base ourselves on actual circumstances and to do things in an appropriate order. In addition to encouraging the advanced, it is necessary to take the majority of people into consideration and to combine the demands of the advanced with popular demands.

Some people have raised this question: The phrase "with communist ideology at the core" is something introduced by a party congress. Now, it has been amended at a plenary session of the party's Central Committee. Is this in keeping with the organizational principles? My answer is that it is in keeping with the organizational principles and the principles of proceeding from reality. In "Upholding the four cardinal principles," a speech Deng Xiaoping delivered in 1979, he said: It often happens that because of a change in the actual situation, the Central Committee must amend the resolution of one party congress before the next. Owing to the changes in the actual situation and in our own understanding of it, the line formulated by the party's 11th congress underwent necessary readjustment at the successive plenary sessions of the Central Committee, and particularly at the Third Plenary Session. Further readjustments may also be required in the future. This is entirely normal.

[Signed] Bao Xin

[Dated] 20 October

#### HONGQI ON IMPROVEMENT OF CADRES' WORK STYLE

HK050311 Beijing HONGQI in Chinese No 19, 1 Oct 86 p 47

[Article by He Dazhang (0149 1129 4545): "Two Items of Random Thought"]

[Text] A Heartening Failure [subhead]

I have heard the following story: A leading central government comrade was going to visit a county for a work inspection. Having heard this news, the county party committee secretary and the county governor went into frantic action and dragged in many people to dash off a voluminous pile of reports. When the leading central government comrade arrived, however, he did not let them read the reports, but asked them to answer two questions: First, what are the main strong points of the county, and second, what are the main current problems? Surprisingly, the county leaders could find no answers. This failure made them greatly dejected.

This incident makes one sigh with regret, for two reasons.

First, the adamant corrupt practice of formalism is regrettable. In formulating summary reports, some units like to include each and every detail, important or trivial, without any omissions; the phraseology entails repeated, meticulous deliberation -- for example, it takes a heated debate to decide whether the fulfillment of a task should be described as "relatively satisfactory" or "indicative of progress"; the theoretical flavor should be strong and it is highly desirable to quote authoritative works. Consequently, facts are obliterated through repeated rephrasing and the reports become empty talk and stereotyped writing which are "absolutely correct." [paragraph continues]

Moreover, the reports tend to contain tens of thousands of words and it seems that the longer they are, the better. Writing them is agonizing, reading them parches the orators' throats, and listening to them makes one sleepy. Such reports are harmful. Second, the incompetence of some cadres is regrettable. The leading cadre of a unit should know clearly, and always keep in mind, the main strong points and problems of his unit. If he must inquire of the secretary about these very matters, or must organize a meeting to discuss what they are, then how can he guide daily work? How can he be a qualified leading cadre? If he fails to tell what they are, what is the use of the tens of thousands of words in his report?

Despite these two reasons for regret, there is a reason for feeling heartened. That move by the leading central government comrade reflects a pragmatic spirit. If leading comrades at all levels also act in the same way, the old methods of thinking and work as well as bureaucracy and formalism will no longer work. The leading cadres of the county should consider that failure as a heartening one. We should also be inspired by the incident and conscientiously examine our own work style. Leading cadres should be well-informed about many things, but in the first place, they must know the important matters and must not depend on reports written by others to remember them. Work reports must be regularly made, but they must never be turned into stereotyped writing. Instead, they should be concise and state nothing but the truth. Moreover, comrades in charge of higher authorities should never judge the work done at the lower levels by their reports alone. They must go deep into reality and use their own brains. In this way, our work will surely be more effective.

#### What Nicknames Suggest [subhead]

People are nicknamed according to the features of their appearance, habits, or personality. Ordinary people often nickname "government officials" with reference to their style of work or their achievements in office; these nicknames imply praise or censure and embody the people's feelings. During the rule of the Qing Emperor Shunzhi, two high officials were sent successively to govern the area south of the lower reaches of the Chang Jiang. The first, Qin Shizhen, worked diligently and was nicknamed "Iron Face [incorruptible]." His successor, Li Chengshao, who was lazy, incompetent, and always drunk, was nicknamed "Mess." Someone rewrote Cui Hu's famous poem entitled "The Maiden's Face and the Peach Blossoms" and stuck the rewritten version on a wall; it read: "Two different faces appearing today and this day last year are Mess and Iron Face. Today the whereabouts of Iron Face are unknown, while Mess continues to be drunk and happy every day."

Nowadays, nicknames can still suggest many things. Comrade Wang Chonglun assumed his office as mayor of Harbin several years ago. He soon solved the problem of a shortage of beancurd in the land of soybeans, and got the nickname "Beancurd Mayor" which immediately became widely known. A deputy mayor of Nanjing in charge of urban amenities, brought perfect order to the city's municipal affairs and was nicknamed "Roads Mayor." Mayor Zhang Tiemin of Xian was impartial and incorruptible in managing municipal affairs. He did not even hesitate to punish his superiors when necessary. The nickname "Iron Mayor" not only resounded locally, but was also spread quickly across the country. Last year, Zhang Tiemin died from illness. Numerous Xian residents spontaneously surged into the streets to join the funeral procession to commemorate him. A several-character nickname can be just like public praise enunciated by tens of thousands of people; it can also express the eager desire of the masses for having cadres with the desired quality.



Of course, not all nicknames are like that. The residents of a certain city nicknamed their deputy mayor "Television Mayor," not because he helped popularize television viewing, nor because he helped improve the quality of television programs. The nickname did not blame him for appearing on television, but implied that the residents' knowledge of his achievements in office was limited to the frequent occasions, often 3 to 5 days apart, where he cut ribbons at opening ceremonies or attended banquets here and there, as seen in television news. How pertinent and profound was the criticism embodied in the nickname!

A nickname is a mirror reflecting reality. Breaking the mirror cannot help change the image in it. Moreover, that mirror is unbreakable because it exists in the hearts of the masses. If one wants to remove the censure implied by a nickname, one can only vigorously change one's style of work so that the masses will change their conception of oneself. It is hoped that our leading cadres can more satisfactorily tap valuable nourishment from nicknames.

#### PARTY LEADERS' CHILDREN CONVICTED OF CRIMES

HK030739 Hong Kong HONGKONG STANDARD in English 3 Nov 86 p 5

[Sons of Top Party Men Face the Firing Squad" by David Wong and Ian Chung]

[Text] In a major crackdown against crime committed by the "princes' faction", several children of senior party officials have been convicted, and some even executed, by the authorities earlier this year.

Their crimes included rape, fraud, smuggling and graft.

Those executed include Hu Xiaoyang, son of Mr Hu Lijiao, the head of the People's Congress Standing Committee in Shanghai; Chen Xiaomong, son of former propaganda chief of Shanghai Chen Guodong and Ge Zhiwan, the son of a senior official in the municipal government.

They were shot in February for raping or molesting 51 women over a period of four years.

Ye Zhifeng was jailed for 17 years for economic crimes. She is the daughter of former army commander and deputy chairman of the National People's Congress Standing Committee, Ye Fei.

Her accomplice, Zhang Changsheng was executed by firing squad. His father is the deputy director of the Foreign Affairs Bureau of the People's Liberation Army General Staff.

There are also unconfirmed reports that the sons of other top Chinese officials, including Jiang Hua, Peng Zhen and Hu Qiao are in custody awaiting trial.

If the reports are true, it means the authorities are determined to root out corruption and crime, regardless of social position or political influence.



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CHINA  
PRC NATIONAL AFFAIRS

The sweeping anti-crime crackdown seems to be the authorities' response to criticism that only "small fry" are arrested for publicity purposes while the "sharks" go scot free.

One case which has drawn a lot of publicity is the reported arrest of Liu Shikun, the son-in-law of the late Marshal Ye Jianying, one of China's most respected leaders.

Liu was said to have raped or indecently assaulted dozens of young girls, a crime which carries the death penalty in China.

ARTICLE LISTS LEADERS' CHILDREN WHO STUDY ABROAD

HK030701 Hong Kong HONGKONG STANDARD in English 3 Nov 86 p 5

["Who Gets To Study Abroad" by David Wong and Ian Chung]

[Text] Many Chinese students sent abroad for further studies are from families of high-ranking officials.

Deng Zhifang, the youngest son of top Chinese leader Deng Xiaoping, led the "exodus" of the yanei or the "princes' faction."

He was sent to the Rochester University in New York in 1981. His wife, Liu Xiaoyuan, joined him four years later.

After Deng was Bo Jieying, the daughter of Chinese Vice-Premier Bo Yibo. She studied at a university in Massachusetts.

Li Xiaoxiao, the second daughter of the late Chinese President Liu Shaoqi, went to the University of Boston, while her younger sister left for West Germany.

Since the People's Liberation Army has a dominant role in China's political arena, the children of leading military leaders also enjoy such privileges.

Chen Xiaolu, son of the late Chinese Defence Minister, Chen Yi, was a student at the University of Austin in Texas, while Marshal Ye Jianying's daughter, Ye Xiaoping, went to the Georgetown University in Washington, D.C.

But Huang Bing, the son of former Chinese Foreign Minister Huang Hua, studied at the most prestigious institution; he went to Harvard.

Even the more politically-conservative leaders are keen on letting their children have a taste of Western civilisation.

Chen Zhongying was sent by his father, Chen Yun, chairman of the party's Central Disciplinary Commission, to the Massachusetts Institute of Technology.

But in 1982, Japan was favored over the United States and a number of senior officials' children were sent to top universities there.

Among these were Wang Xiaoping, son of Wang Xiaoyun, Chinese envoy to Japan; Wu Fan, son of Wu Shudong, Councillor in the Chinese Embassy in Japan; and Cai Xian, Jin Jingyi, Zhang Jingping, whose fathers are councillors in the Chinese Embassy in the country.

Other high-ranking officials, including Tan Qilong, former party secretary of Guizhou; Sun Shangqing, deputy director of the Economic Research Institute of the Chinese Academy of Social Sciences; Fu Hao, former Chinese Ambassador to Japan, and Hu Keshi, former Vice-secretary of the Central Committee of the Chinese Communist Youth, also sent their children to Japan for studies.

Universities in the United States and Japan continued to be the major destinations for children of officials in 1983.

Some notable examples were Chen Xiaoshan, grand-daughter of Chen Yun, who went to the Rochester University in New York, and Wang Zunming, daughter of Wang Jianchang, who was admitted to another university in the States.

In 1984, The University of Boston in the United States admitted two sons of Ma Yi, Party Secretary of Chinese Academy of Social Sciences, and a daughter of the vice-chairman, Yu Qiuli.

In the same year, Liu Pingping, daughter of Liu Shaoqi, left for the States to pursue a doctoral degree.

Last year saw a continued flow of privileged children to the States. Wu Jie, son of Wu Lanfu, Vice-Head of State, and son-in-law of Chen Yun, was one of them.

Others included Bo Xiangjiang, Vice-premier Bo Yibo's son, who left for the University of Massachusetts; Zhang Xiaoi, daughter of Chinese Defence Minister Zhang Aiping, was at the St Mary's College of California; and Li Andong, son-in-law of Vice-Premier Wan Li, who did a course in music at the University of New York.

In addition, there were Shen Dongming, son of Shen Tu, general director of the CAAC, at the University of Wisconsin; Geng Yan, daughter of Geng Biao, Vice-chairman of the Standing Committee of the National People's Congress, at Harvard University.

Tian Xiaobing, daughter of Xu Shiyu, the late Chinese Defence Minister, at University of California, Los Angeles; and Fu Li, son of Fu Zuoyi, the late Vice-Chairman of the Chinese People's Political Consultative Conference, at Temple University in Pennsylvania.

Fu Zuoyi was an army marshal of the Kuomintang before he defected during the civil war.

RENMIN RIBAO ON AERONAUTIC TECHNOLOGY PROGRESS

HK291535 Beijing RENMIN RIBAO in Chinese 27 Oct 86 p 2

[Dialogue from Guangzhou by RENMIN RIBAO Reporter Feng Xiao (7458 7197): "Foreign Businessmen Attending 60th Guangzhou Trade Fair Astonished by Progress of China's Aeronautic Technology"]

[Text] New aeronautic technology projects and aeronautic products on display at the 60th Guangzhou trade fair have drawn extensive attention of foreign businessmen. Chatting in the lobby of Dongfang Guesthouse, several guests from Europe and America unanimously pointed out: "The progress China has made in the field of aeronautic technology is really astonishing!"

The number of new products on display at the current trade fair has increased remarkably, comprising 25 to 40 percent of the total number of items on display. "High technology products are the very items that can show the technological standard attained," a British businessman emphasized. "Projects and products like satellites, ground receiving stations, micro-reactors, transport planes, passenger planes, and man-made satellite launching service have made a deep impression on us," several American businessmen said.

These foreign businessmen showed great interest in the wide variety of versatile airplanes of different models and sizes marketed by the China National Aerotechnology Import and Export Corporation. They cited a series of airplanes, such as the "Yun-12" and "Yun-8" transport planes, "Zhi-9" helicopter, "Yun-7-1-100" passenger plane, "1-100" airplane, "Petrel" airplane for agricultural use, "Qiang-5" airplane, and hang-gliders. This showed that they were quite familiar with China's aerotechnology products. When our reporter told them that it was China-built "Zhi-9" helicopters that performed the highlight program -- "Fairy Maiden Spreading Flowers" -- during the opening ceremony of the trade fair on 15 October, all of them applauded and said: "Oh, now we understand why the flowers spread from the sky were so beautiful that day!"

It is said that China-built airplanes have now been replacing imported airplanes in civil aviation and are being used by the Civil Aviation Administration of China to provide branch airline service. China-built intermediate-and short-distance transport planes currently in service are equipped with modern operating systems. They can fly safely and reliably with lower fuel consumption. Besides, their selling prices are low and they demand a lower qualitative standard of the runway. All these features have made a deep impression on many foreign businessmen attending the trade fair.

RADAR DEVELOPMENTS NOTED AT NANJING CONFERENCE

OW041707 Beijing XINHUA in English 1431 GMT 4 Nov 86

[Text] Nanjing, November 4 (XINHUA) -- China is now able to produce more than 100 models of radar, a veteran Chinese radar specialist said here today.

They are in wide use in defence, ground measuring and control systems in the space program, navigation, aviation, weather forecasting, and remote sensing and laser technologies, senior engineer Feng Shizhang of the Chinese Electronics Industry Ministry told radar specialists and scholars attending an international conference on radar which opened here today.

China has also developed a new generation of radars, including phased array radars, 3-dimension radars, over-the-horizon radars, synthetic aperture radars and pulse-doppler radars to be used in the space program or for defense purposes, the exploration of resources and the safety of navigation, the 63-year-old professor said.

In addition, a breakthrough has been made in the technology of frequency-agility, moving-target-detection, ultra-low side antenna and low-angle tracking.

Feng said China's phased array radar has not only supported the development of the country's space technology but also attended world space activities. It predicted accurately the site where a Soviet nuclear-powered satellite began to decay downward in 1983, he said.

Starting from scratch, China's radar industry has now established a fairly complete system comprising scientific research and production.

He admitted, however, China is still behind developed countries in radar technology because of its poor foundation in the electronics industry.

China's first radar was developed in the 1950s in Nanjing, a major radar-producer in the country.

The four-day conference, sponsored by the Radar Society of the Chinese Institute of Electronics, was attended by over 40 radar specialists and scholars from 12 countries.

#### XICHANG SATELLITE LAUNCHING SITE TO BE DEVELOPED

HK050851 Hong Kong WEN WEI PO in Chinese 4 Nov 86 p 1

[Report by contributing reporter Yang Yung-nien (2799 3057 1628): "Construction Work To Expand the Xichang Satellite Launching Center Begins"]

[Text] In order to better meet the needs of putting our country's carrier rockets in the international markets, the Xichang Satellite Launching Center in Sichuan Province will be expanded and rebuilt. the inaugural ceremony of the expansion project was held on the launching site on 1 November.

Since the satellite launching center was built in 1984, it has successfully launched Changzheng-3 carrier rockets to send three synchronous communications satellites into outer space. Now, a number of companies in the United States, Sweden, and Britain have expressed the desire to use the Xichang launching center to launch their satellites.

The project of the Xichang launching center started in the mid 1970s. The site enjoys such favorable natural conditions such as being located at a low latitude, a narrow yearly temperature difference, and a short wet season. [paragraph continues]



The testing, launching, surveying, and controlling equipment in the center, as well as the Changzheng rockets and satellites, are all designed and produced by China herself.

In addition, the fuel used by the third promoter of the Changzheng-3 rockets launched by the Xichang center is liquid hydrogen and oxygen newly developed by the research organizations. Such liquid fuel is able to release high energy at a comparatively low temperature. At present, only the United States, France, and China have mastered the technology of producing such sophisticated fuel. The Soviet Union is still in the testing stage.

#### ZHANG AIPING OPENS DEFENSE TECHNOLOGY EXHIBITION

OWO41609 Beijing XINHUA in English 1436 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- Nearly 160 manufacturing firms from Asia, Europe, and North and South America are displaying sophisticated arms and their production technology at an exhibition which opened here today at the China International Exhibition Center.

On show are materials, samples, models and photos of fighter aircraft, helicopters, tanks, armored vehicles, guns, missiles, air defence artillery, light and heavy weapons, ammunition and detonators, radio communication equipment, radar, photoelectric equipment and ships, covering over 20,000 square meters of floor space.

This is the largest exhibition of its kind to be held in China, according to an official from the exhibition center.

State Councillor and National Defense Minister Zhang Aiping cut the ribbon to open the exhibition, attended by other high-ranking Chinese military officers as well as foreign diplomatic envoys in China.

Visitors showed great interest in exhibits like the Rafale fighter aircraft developed by the Avions marcel Dassault-Breguet Aviation Co of France and its mirage fighter aircraft, Swordfish ultrahigh frequency transceivers by the British Marconi Communication Systems Limited, Hummer multi-purpose vehicles by LTV Aerospace and Defense Company of the United States, antitank mines by Italian Misar S.P.A. and China-made conventional weapons.

The participating companies will give technical seminars on more than 60 subjects. A high-technology conference will be held, and armoured vehicles and conventional weapons demonstrated during the exhibition.

More than 100 defence policymakers and buyers from 37 countries have been invited to attend, according to SZE A-lan, project director of Commedia Associates Ltd, which is the organizer for the exhibition.

He expected that the exhibition will attract more than 100,000 visitors including over 1,300 from around the world.

BANK EXPANDS LOANS TO FOREIGN-FUNDED ENTERPRISES

OW291142 Beijing XINHUA in English 1127 GMT 29 Oct 86

[Text] Beijing, October 29 (XINHUA) -- The Bank of China will extend loans not only to Sino-foreign joint venture enterprises, but also to Sino-foreign cooperatives and projects with sole foreign investment, a bank official said here today.

This revision of the loan service was worked out recently in accordance with the new foreign-investment policies to improve conditions for overseas investors, which came out early this month.

According to the revision, export enterprises and technologically-advanced enterprises with foreign investment will have top priority to get loans from the Bank of China.

In addition to the conventional loan service, the official said, the bank will open a new service allowing customers to be overdrawn in a current-deposit account.

Also, foreign-funded enterprises can obtain mortgages on property with proper registration of assets.

The Bank of China will organize international banking groups to provide loans to a larger project if necessary.

So far the bank has already provided loans totalling 600 million U.S. dollars and 2.6 billion yuan (about 700 million U.S. dollars) to 852 foreign-funded enterprises.

ARTICLE VIEWS OUTLOOK FOR SALES TO CHINA

HK030804 Hong Kong HONGKONG STANDARD (BUSINESS STANDARD) in English 3 Nov 86 p 1

["Exchange Curbs Will Restrict China Sales" by Gerry Marron]

[Text] Deterioration of international payments position will result in stringent foreign exchange controls and difficulties in selling to China for the next 12-18 months.

And Beijing's foreign exchange crunch is unlikely to ease before the end of next year, according to political and economic forecasting experts Business International Asia/Pacific.

"Bankers will see more PRC borrowing in international capital markets. During the first half of 1986 the country drew U.S. \$2.5 billion in foreign loans, up 200 percent from the same 1985 period," says the organisation's latest intelligence report.

"The overall debt burden, however, will remain low through 1988. At the end of 1985 foreign debt was around U.S.\$15 billion, or 5.6 percent of GDP," it adds.

The intelligence paper says that China's failure to trim its huge import bill in the first six months of 1986 implies a worse than expected international payments picture and a prolonged foreign exchange crunch.

"Although exports and invisible earnings grew at a rate of more than 15 percent in the first half of 1986 imports continued to rise (by eight percent) as well -- resulting in a \$6 billion trade deficit for the six months -- and a \$1.4 billion drop in foreign exchange reserves.

"Chances are China will end the year with a trade shortfall of some \$8 billion and stay in the red for the next two years -- partly due to soft oil prices and barriers against PRC textile peoples," it adds.

The analysts say that slower foreign investment -- the contracted amount was down 20 percent -- is intensifying China's balance of payments problems.

This is resulting in renewed efforts to woo investors from other countries, mainly with lower labour and land charges and promises to cut red tape.

"Besides pressure to buy from China, firms also face more difficulties selling to the PRC with preferential trade credits becoming increasingly critical," it reports.

The intelligence paper also pays close attention to the state of the currency.

With its one-short Renminbi devaluation in July, the Chinese financial administration departed from the traditional philosophy that exchange rate adjustments should be gradual and smooth, the report said.

"The current large trade deficit suggests the need for a further weakening of the PRC's currency but another drastic adjustment is unlikely before the end of the year," it predicts.

"Most likely a confusing exchange environment will continue with stiff forex controls and an inconvertible renminbi running side by side with unchecked grey and black markets."

The analysts say that an experiment in the Shenzhen special economic zone -- which allowed limited convertibility of renminbi through a forex adjustment centre -- will probably lead to the system being introduced in several other coastal cities.

"But in the next 18 months, no major improvements in the foreign exchange control environment should be expected," they reported.

Business International Asia/Pacific says that GDP will expand at a moderate rate of about seven percent in 1986 following on from a runaway growth rate of 12 percent the previous year.

It predicts that stringent credit and spending controls will curb PRC enterprises' bonus paying spree and slow wage hikes in light industry.

Over the next two years, the report predicts a nationwide annual one to two percent increase in real wages.

NATIONAL CONFERENCE ON ELECTRONIC EXPORTS ENDS

OW041126 Beijing XINHUA in English 0645 GMT 4 Nov 86

[Text] Fuzhou, November 4 (XINHUA) -- Cooperation among multi-regional electronic producers in the past two years, according to a national conference just concluded here.

An electronics group consisting of 30 enterprises in different parts of the country will export 500,000 color TV sets to the United States under a contract signed this year, the National Electronics Conference reported.

The output value of the group reached 220 million yuan last year.

Another, Guizhou Electronic Company, made up of eight branches and 24 factories, exported 90 percent of its printed plates to the United States last year.

The Huashan Electronic Device Company, a group of south China and southwest China enterprises, has become a major production base of export commodities.

RENMIN RIBAO ON DEVELOPMENT OF MOUNTAIN AREAS

Symposium Held

HK041525 Beijing RENMIN RIBAO in Chinese 27 Oct 86 p 3

[Article by reporters He Xinghuan (0149 2502 3831) and Zhang Minqiu (1728 2404 3061): "Hundreds of Specialists Go Deep Into Wuling Mountain Area To Conduct Surveys -- They Make Suggestions for Transforming the 'Poor But Richly Endowed' Area"]

[Excerpts] Wuling mountainous area is an old revolutionary base area and an area in which minority nationalities live in compact communities. It has been in a state of poverty and backwardness for a long time. Its development level is far inferior to the national average. It badly needs comprehensive development and a series of feasible measures and special policies. [paragrah continues]



For this reason, hundreds of specialists from various fields have been sent by the relevant departments of the central authorities to conduct surveys and investigations in various counties of the Wuling mountainous area, to help the people of all nationalities in the 43 counties of the Wuling mountainous area solve the problem of adequate clothing and food as quickly as possible, and to help them gradually become well-off. On this basis, a symposium on comprehensively developing and administering the rural areas of the Wuling mountainous area was held from 17 to 22 October in Dayong City, Hunan Province. The symposium thoroughly discussed and studied the guiding ideology, the development objective, and the basic measures regarding the comprehensive development and administration of the Wuling mountainous area.

Although the Wuling mountainous area has good natural conditions and rich and varied resources, its production is backward due to historical reasons and the current realities. As a result, the people of Tujia, Miao, and Dong nationalities there still live in poverty. [passage omitted]

To carry out the work of comprehensively developing and administering the Wuling mountainous area, the symposium deliberated on and established a coordination group which will assume overall responsibility for coordinating the work in a planned way. The group's leading members come from the relevant departments of the central authorities. The group is composed of leaders of Hubei, Hunan, Sichuan, and Guizhou Provinces and some specialists. At the same time, the four provinces' academies of agricultural sciences and agricultural colleges also deliberated on and established a scientific and technological coordination group to strengthen contacts and exchanges for helping the poor and promoting development in the scientific and technological field.

Entrusted by the State Scientific and Technological Commission, the State Nationalities Affairs Commission, the Ministry of Agriculture, Animal Husbandry, and Fisheries, and the China Association for Science and Technology, the Chinese Association of Agricultural Science Societies held this symposium jointly with the Chinese Society of Forestry, the Chinese Society of Hydraulic Engineering, and the relevant departments of Hunan, Hubei, Sichuan, and Guizhou Provinces.

#### Commentator's Article

HK041529 Beijing RENMIN RIBAO in Chinese 27 Oct 86 p 3

[Commentator's article: "Adopt a Scientific Approach to Achieve a New Understanding of Our Mountainous Areas"]

[Text] Ours is a country with a vast territory. However, mountainous areas account for more than 70 percent of the total area of China. The existence of many mountains is also a characteristic of our country. How are we to develop and administer our mountain areas? This is an important question for study during the realization of the four modernizations.

The natural conditions of our mountain areas are complicated and the mountain areas are very hard to reach. Due to natural conditions and historical reasons and also due to certain faults in our work, the great majority of our mountain areas are still backward economically and culturally compared with the flatlands.

About 60 percent of China's poor countries are in the mountain areas of South China. The great majority of these poor mountain areas are old revolutionary base areas and areas in which minority nationalities live in compact communities. Therefore, it is of great political, economic, and strategic significance to develop the mountain areas and help people there to free themselves from poverty and become rich.

We did not begin today to pay attention to developing and administering the mountain areas. A few years ago, we blindly popularized the so-called "Dazhai experience," ignored local conditions, and asked all mountain areas to grow grain. As a result, many mountain areas destroyed their vegetation and caused soil erosion. There was a vicious circle: The poorer they became, the more land they cultivated; the more poorer they became. In developing the mountain areas, we must draw on this lesson from bitter experience and stress "respecting knowledge and qualified personnel" and qualified personnel" and scientific guidance. The State Scientific and Technological Commission and scientific and technological committees in many areas to conduct scientific surveys and feasibility studies and to helping governments at all levels with their scientific planning and policy decisions. This is a very encouraging beginning.

If we adopt a scientific approach to the study of the mountain areas, we can see that the mountain areas are full of treasures. We can turn poverty into wealth so long as we develop commodity production in line with local conditions and under the guidance of the party's policy of enabling the people to become rich. From a long-term point of view, we can see that the mountain areas are not hindrances to the four modernizations but are the bases for making our country and our people rich. The key to the realization of this transformation lies in sending science to the mountain areas and in using intelligence to help poor people become rich. "I do not know what Lu Shan really looks like -- but this is just because I am on this mountain." Cadres and the masses in the mountain areas must also adopt a scientific approach to achieve a new understanding of their mountain areas. Once they have mastered science and technology and raised their education level, they will find many ways to become rich and will possibly find ways that are more resourceful and effective than those planned by higher authorities.

#### NATIONAL SOCIAL SCIENCE RESEARCH MEETING ENDS

OW041709 Beijing XINHUA in English 1442 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- Research into philosophy and other social sciences will be concentrated on applying theory to solving the problems of the present reforms over the next five years.

A seven-day national meeting to draw up social sciences research tasks ending here today decided on 350 research topics on Marxism-Leninism, Mao Zedong Thought, philosophy, economics, political science, law, history and international affairs.

One is the "development in China of Marxism-Leninism-Mao Zedong Thought since the Third Plenary Session of the 11th party Central Committee," according to an organizing official. The session in 1979 was the beginning of China's reform.

Compared with the research tasks of the past five years, the official said, the new topics stress solutions to the problems of reform, law and the building of socialist morality.

The scholars agreed that the present free intellectual atmosphere is ideal for academic research.

#### NATIONAL COMMISSION FOR UNESCO HOLDS MEETING

OW041711 Beijing XINHUA in English 1458 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- The Chinese National Commission for the United Nations Educational, Scientific and Cultural Organization (UNESCO) held a meeting here today to celebrate the 40th anniversary of the founding of UNESCO.

Yang Haibo, chairman of the Chinese National Commission for UNESCO and vice-minister in charge of the State Education Commission, said at the meeting that the purpose of UNESCO is to contribute to peace and security by promoting collaboration among nations through education, science and culture. This reflects the common (?aspirations of the world's) people for developing education, science and culture, and for maintaining world peace.

China is one of the founding members of UNESCO. This year is the 40th anniversary of the organization and also the 15th anniversary of China's renewed participation in UNESCO's activities after it had resumed its legitimate seat in the organization, he said.

Lai Hanxuan, ambassador and permanent delegate of the People's Republic of China to UNESCO, who also attended the meeting, said that UNESCO faces the issue of multilateral international cooperation which is the logical requirement of the social, economic, scientific and technological development of the present-day world, and the common aspiration of the world's people. China is fully committed to this goal, he stressed.

Attending the meeting were Yan Jici, vice-chairman of the National People's Congress Standing Committee, and officials from UNESCO.

#### YE JIANYING'S ASHES INTERRED IN GUANGZHOU

HK041505 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 31 Oct 86

[Excerpts] A ceremony to temporarily inter the ashes of Comrade Ye Jianying was solemnly held at the old site of the Peasant Movement Institute, Guangzhou, at noon today. Escorted by leading comrades of the central authorities, including Wang Zhen and Wang Zhaoguo, and relatives of Comrade Ye Jianying, including Ye Xuanping, the ashes of Comrade ye Jianying were transported to Guangzhou by special plane today at 1100. The ashes of Comrade Ye Jianying were delivered by Comrade Ye Xuanping and a bier-welcoming team to the old site of the Peasant Movement Institute, Guangzhou, and were placed in the center of the mourning Hall. Four PLA fighters stood guard on either side of the box of ashes. [passage omitted]



Provincial party committee Secretary Lin Ruo presided over the ceremony to temporarily inter the ashes. Amid the funeral music, some 1,000 people of various circles attending the ceremony stood in silent mourning and made three bows to the portrait of Comrade Ye Jianying.

Attending the ceremony to temporarily inter the ashes of Comrade Ye Jianying were leading comrades of the central authorities, including Wang Zhen and Wang Zhaoguo; vice chairmen of the CPPCC National Committee who were in Guangzhou, including Mao Yisheng and Wang Enmao; responsible comrades of the Guangzhou party, government, and army; and members of the Central Advisory Commission, including Lin Ruo, You Taizhong, Zhang Zhongxian, Ye Xuanping, Liu Tianfu, Li Jianzhen, and [name indistinct]. (Wang Quanguo), responsible person of the Guangdong Nuclear Power Station; Li Hao, mayor of Shenzhen City; and (Ke Zhengting), responsible person of the (Nan-Kuang) Company, Macao, made a special trip to Guangzhou to attend the ceremony to inter the ashes. Others attending the ceremony were members and alternate members of the central authorities, members of the Central Discipline Inspection Commission, NPC Standing Committee members, and CPPCC National Committee Standing Committee members who were in Guangzhou; Red Army veterans and veteran cadres in Guangzhou; responsible comrades of all democratic parties of the province and city and of people's organizations; relatives and working personnel of Comrade Ye Jianying; and the masses of various circles.

#### DENG LIQUN, MAO ZHIYONG VISIT HUNAN CEREMONY

HK280809 Changsha Hunan Provincial Service in Mandarin 0100 GMT 26 Oct 86

[Excerpts] On 25 October, people of various nationalities in Shangzhi County, as well as representatives from other parts of China, totaling more than 5,000 people, gathered together and attended the inauguration ceremony for a monument commemorating the Long March starting point of the No 2 Front Army of the Workers and Peasants Red Army.

Deng Liqun, secretary of the Central Secretariat; Liao Hansheng, vice chairman of the NPC Standing Committee; Zhang Pinghua, member of the Central Advisory Commission; and Mao Zhiyong, secretary of the provincial party committee, cut the ribbon for the monument. [passage omitted]

At the inauguration ceremony, Liao Hansheng, vice chairman of the NPC Standing Committee; and Liu Zheng, deputy secretary of the provincial party committee, made speeches.

The ceremony was also attended by Yang Zhengwu and Yin Changmin, members of the CPC Central Committee; Li Zhenjun, responsible person of the Central Commission of Political Science and Law; Wang Zhiguo, Shi Jie, and Chen Xueyuan, responsible people of the provincial Advisory Commission; (Gu Shangqing), political commissar of the provincial Military District; He (Jiesheng) and He (Xiaoming), daughters of the late Comrade He Long; Ren (Yuanzhi), daughter of the late Comrade Ren Baishi; and (Jiao Ruilin), representative of the veteran Red Army soldiers.

#### DENG LIQUN ATTENDS HE LONG STATUE UNVEILING

OW271053 Beijing XINHUA Domestic Service in Chinese 0746 GMT 27 Oct 86

[Text] Changsha, 27 Oct (XINHUA) -- A bronze statue of He Long, holding a pipe in hand, wearing the marshal uniform, and with his horse close by his side, was unveiled on 26 October on Tianzi Shan in Sangzhi County, Hunan Province.



This bronze statue of He Long is located on Yunqing Yan of Tianzi Shan. It is 6.5 meters high and weighs more than 9 metric tons. By the left side of the statue is a natural slate, on which are engraved inscriptions by Comrades Hu Yaobang, Peng Zhen, and Liao Hansheng.

Among those present at the unveiling ceremony were Deng Liqun, member of the Secretariat of the CPC Central Committee; Liao Hansheng, vice chairman of the NPC Standing Committee; and Mao Zhiyong, secretary of the Hunan Provincial Party Committee.

XI ZHONGXUN ATTENDS EXHIBIT, HALL DEDICATION

OW271929 Beijing XINHUA in English 1623 GMT 27 Oct 86

[Text] Beijing, October 27 (XINHUA) -- Over 200 distinguished figures from drama circles gathered at No 9 Huguosi Street in the west of Beijing today to attend the opening ceremony of a memorial hall dedicated to the late Beijing Opera Maestro Mei Lanfang.

Member of the Political Bureau of the Chinese Communist Party Central Committee Xi Zhongxun unveiled a plaque bearing the words "Mei Lanfang Memorial Hall" written by top Chinese Leader Deng Xiaoping.

Addressing the assembly, Ying Luocheng vice-minister of culture said Mei Lanfang (1894-1961), who contributed over 50 years to Beijing Opera, left a treasure house of art for the Chinese people.

Mai Shaowu, deputy director of the memorial hall and Mei Lanfang's fifth son, said that the hall has collected altogether 30,000 items relating to his father -- photos, pictures, books and librettos, falling into 13 categories.

Born into a Beijing opera performer's family in Beijing, Mei Lanfang began his career at nine years old. He gave more than 400 performances in his lifetime. He was called "a real performer and creator of beauty" by his colleagues.

He made many innovations in the Beijing Opera as well as learning from tradition and turned out many new plays including ones with modern as well as historical themes.

"The Drunken Beauty", "The Riverside Pavilion", "The Meeting at the Broken Bridge", "Xi Shi" and many other operas performed by Mei Lanfang are considered to have reached the peak of the art. The noted Beijing Opera performers Zhang Junqiu, Du Jinfang and Mei Baojiu, the youngest son of Mei Lanfang, are all students of the Mei School. Mei Lanfang's students are now scattered all over China, Japan, Southeast Asia and the U.S.

Mei Lanfang performed abroad nine times to introduce Beijing opera to the world. His art exerted a great influence on foreign dramas, and was ranked in the three international performance schools which also include Brecht and Stanislavski.

After the founding of New China, Mei Lanfang took an active part in promoting cultural exchanges between China and foreign countries. He was vice-chairman of the China Federation of Literary and Art Circles and vice-chairman of the All-China Dramatists Association.

Attending today's ceremony were other Chinese leaders and Cao Yu, chairman of the All-China Dramatists Association, Japanese Ambassador Yosuke Nakae and officials from embassies in Beijing.

BA JIN'S LAST WORK TO BE ESSAY COLLECTION

OW251414 Beijing XINHUA in English 1209 GMT 25 Oct 86

[Text] Beijing, October 25 (XINHUA) -- A collection of essays by Ba Jin, China's leading writer, is to be published under the title, "Random Thoughts" by the Joint Publishing Co at the beginning of next year.

This will be the last work by Ba Jin, who is 82 years old, according to the writer himself.

Ba Jin (Pa Chin) was born in Chengdu, Sichuan Province in 1904. His first novel, "Destruction", was published in 1928 when he was studying in France. Three years later he wrote a sequel, "New Life", in Shanghai.

In the next ten years, Ba Jin finished a trilogy of love -- "Fog", "Rain" and "Lightning" -- and a trilogy of turbulent currents -- "Family", "Spring" and "Autumn." After that, he wrote many other works, including novels, essays and features.

In 1982, he was awarded the Dante International Prize in Florence, Italy.

"Random Thoughts" was written over the past eight years. It consists of 150 essays and is arranged into five volumes according to the sequence of their publication. The five subtitles are "Random Thoughts," "Exploration," "True Words," "In Illness" and "Untitled."

Commenting on the work, Feng Mu, vice-chairman of the Chinese Writers Association, said, "This book transmits the voice of the time. The 150 articles mirror the development of our times and history from various aspects, and show the brilliant thoughts of the author toward social life, ideology, spiritual civilization and morality."

The author wrote in the postscript of the book, "The defect of our generation is the utterance of too many empty words. Having written for more than 60 years, I should now beg my tolerant readers' pardon. With deep gratitude, I'm saying good-bye to you and presenting you with these five small books, which I call 'books of true words'."

SANXIA PROJECT STUDIES TO BE COMPLETED IN MARCH

HK291041 Hong Kong WEN WEI PO in Chinese 29 Oct 86 p 1

["Special Dispatch from Wuhan on 28 October" by contributing reporter Fang Meng (2455 5536): "Cheng Zihua Personally Goes to Gezhouba as the Head of a Group; Feasibility Studies on the Sanxia Project Are Being Intensified and Several Hundred Specialists Are Carrying Out Surveys Along the Chang Jiang"]

[Text] To carry out scientific feasibility studies on the Sanxia prroject, a giant key water control project on the Chang Jiang, the State Council has established special organizations and organized a total of 14 study groups comprised of over 300 specialists in geology, geomorphology, hydrology, quicksand, earthquakes, and ecology. The 14 study groups have been sent to the Chang Jiang Valley to carry out large-scale feasibility studies in different categories. All the feasibility studies are being intensified. It is estimated that the feasibility studies will be completed in March next year.

After carrying out a survey in Chongqing City, the group of specialists engaged in the study of the "unified planning and water level" on the Chang Jiang, which is one of the 14 study groups, has headed eastward by boat to carry out surveys along the Chang Jiang. The group's major tasks are to study the Sanxia project's economic effects on Chongqing, southwest China, central China, and east China; to study the Sanxia project's economic effects on the Chang Jiang Valley; to study the Sanxia project's economic effects on the whole nation; and to study and make a comparison between different plans for building the great dam.

Cheng Zihua, vice chairman of the CPPCC National Committee and member of the central coordination group for the key water control project in Sanxia, accompanied by Hubei Province Vice Governor Wang Hanzhang and Hubei Provincial CPPCC Committee Vice Chairman Hu Hengshan, has inspected Gezhouba and Sandouping, a site for the dam of the Sanxia project. Cheng has acquired detailed knowledge of issues concerning the project such as the silt of the Chang Jiang, shipping, flood control, the evacuation of people, and the building of supplementary projects.

A total of 20 specialists and senior economists from Canada have also participated in work concerning the Sanxia project such as surveying, feasibility studies, and consultation. These specialists and senior ecoomists, who specialize in shipping, hydrology, silt, waterpower, environmental protection, and the evacuation of people, were sent to China by the Yangtze River Corporation under the World Bank. They have arrived in Chongqing and have begun carrying out systematic and meticulous surveys along the Chang Jiang.

LI PENG SUPPORTS NEW TRAFFIC CONTROL PLAN

OW290504 Beijing XINHUA Domestic Service in Chinese 1425 GMT 28 Oct 86

[By reporter Zhou Changxin]

[Excerpts] Beijing, 28 Oct (XINHUA) -- Since highway traffic across the country is now systematically under the unified control of public security departments, public security and communications departments should henceforth do better in supporting and cooperating in their work.

Minister of Public Security Ruan Chongwu and Minister of Communications Qian Yongchang expressed this common aspiration at a national telephone meeting of public security and communications departments, jointly called by their ministries, this evening.

In a circular issued on 7 October, the State Council announced its decision to put urban and rural road traffic under the unified control of public security departments. [passage omitted]

This reporter learned that, prior to the meeting, Ruan Chongwu and Qian Yongchang had jointly submitted a report to leading comrades of the State Council on reform of road traffic control throughout the country. After reading the report, Vice Premier Li Peng pointed out that this problem which had remained unsolved for years, was quickly solved and that the spirit of proceeding from the interests of the state and the people should be promoted.

#### WAN LI INSPECTS JIANGXI PORCELAIN CITY

OW310337 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 29 Oct 86

[Text] Braving the rain, Wan Li, member of the CPC Central Committee Political Bureau and vice premier of the State Council, inspected the porcelain metropolis of Jingdezhen on 26 October. During the inspection, he stressed: Jiangxi has great potential and is very promising. It is necessary to proceed from reality; work in a bold and creative manner; further develop the commodity economy; and speed up construction in Jiangxi.

Accompanied by provincial committee Secretary Wan Shaofen and Governor Wu Guanzheng, Vice Premier Wan Li inspected the Jingdezhen Ceramics Museum, the Jingdezhen City People's Porcelain Factory, and the Guyao Porcelain Factory. Also accompanying Vice Premier Wan Li on the inspection tour were Ding Guangen, minister of railways; Yan Ying, deputy secretary general of the State Council; Wu Mingyu, vice minister in charge of the State Scientific and Technological Commission; and Deng Cunlun, former vice minister of railways. Also present was Vice Governor Qian Jiaming.

Vice Premier Wan Li was very concerned about the construction and development of the porcelain metropolis. Braving the torrential rain, he visited the People's Porcelain Factory and the Guyao Porcelain Factory, cordially chatting and eagerly shaking hands with workers in the workshops and beside the kilns, in order to understand the entire process of ceramics production. Vice Premier Wan Li also inquired about the implementation of the plant director responsibility system, democratic management of enterprises, reform of the distribution system, alleviation of enterprise burdens, and problems related to ceramics production.

When he learned of the keen competition confronting Jingdezhen ceramicware under the current rapid development of domestic and overseas ceramics production, Vice Premier Wan Li said: Competition is good. Competition can encourage people to work hard and strive for improvements. When he heard about the attention and the 10 preferential measures given to Jingdezhen's ceramics production by the provincial party committee and the provincial people's government, he was very delighted and eagerly inquired about the changes in ceramics production resulting from the implementation of preferential policies.



He encouraged the cadres and the masses of Jingdezhen to work creatively; promote the development of ceramics technologies; accelerate the building of ceramics bases; step up the ability of ceramic enterprises to develop through their own efforts; increase foreign exchange earning through exports; and strengthen the competitiveness of ceramics products, in order to speed up the development of Jingdezhen's ceramics industry so that new contributions can be made toward developing China's ceramics industry.

He affirmed the achievements made by Jingdezhen in ceramics production since the 3d Plenary Session of the 11th CPC Central Committee. During his inspection, Vice Premier Wan Li noted: Jiangxi has great potential and is very promising. He urged Jiangxi's cadres to implement the instructions of the central authorities and conduct their work creatively; strive to open up all fields of work; vigorously invigorate enterprises; further develop the commodity economy; and upgrade the development of Jiangxi's commodity economy. He also encouraged them to stress changes in thinking and concepts; inject commodity economy concepts into all kinds of economic work; pay attention to using commodity economy concepts in directing peasants to develop commodity production; and speed up the development of rural commodity economy.

YU QIULI, XING CHONGZHI AT DUAL-TRAINING MEETING

SK310403 Shijiazhuang HEBEI RIBAO in Chinese 19 Oct 86 p 1

[Excerpts] The Beijing Military Region held an on-the-spot meeting to exchange experiences in cultivating dual-purpose talented persons in Baoding from 12 to 18 October. The major tasks of this meeting were to study the important instructions for cultivating dual-purpose talented persons given by leading comrades of the party Central Committee and the Central Military Commission, to exchange experiences in cultivating dual-purpose talented persons gained by 13 units, including PLA Unit 51036, and to arrange the 1987 tasks for educating and training dual-purpose talented persons in a unified manner.

Yu Qiuli, member of the Political Bureau of the CPC Central Committee and director of the General Political Department of the PLA; Qin Jiwei, alternate member of the Political Bureau of the CPC Central Committee and commander of the Beijing Military Region; and Yang Baibing, political commissar of the Beijing Military Region, made speeches at the meeting. Xing Chongzhi, secretary of the provincial party committee, attended the meeting, visited the base for cultivating talented persons, and watched the performance in order to report on the achievements in cultivating dual-purpose talented persons. [passage omitted]

In his speech, Comrade Yu Qiuli stressed the importance of the work in which the Army units and the localities cooperatively cultivate dual-purpose talented persons under the current situation. He said: Studying science and general knowledge and cultivating dual-purpose talented persons are strategic measures for strengthening the construction of the Army units in the new historical situation as well as a long-term task. He fully affirmed the practice of "cooperative cultivation by Army units and civilians, and cooperative management in the three fields." He said that this can be called a new experience. By so doing we cannot only arouse the enthusiasm of the localities, soldiers, and their parents, but also make the talented persons that have been cultivated suitable to the demands of the localities and bring into play their roles in the four modernizations.

In his speech, Comrade Qin Jiwei said that in order to regularly and systematically cultivate dual-purpose talented persons, we must upgrade our understanding of and strengthen our leadership over the work, and uphold the overall situation of the development of the country.

In his summing-up speech, Comrade Yang Baibing said that we must hear and learn the experiences of the units, including PLA Unit 51036. This meeting studied and solved some practical problems. He urged that the training of skills for civilian use be conscientiously brought into the orbit of educational training, that the activities of "cooperative cultivation by army units and civilians and cooperative management by the three fields" be vigorously launched, that efforts be made to upgrade the quality of the work of cultivating talented persons.

#### CENTRAL LEADERS ATTEND WEN HUI BAO FORUM

OW030409 Shanghai WEN HUI BAO in Chinese 28 Oct 86 p 1

[Excerpts] To implement the guidelines of the 6th Plenary Session of the 12th CPC Central Committee, WEN HUI BAO, WEN HUI YUEKAN, ZHONGGUO DIANYING SHIBAO, and WEN HUI DUSHU ZHOUBAO held a forum for readers and writers at the Beijing Hotel this afternoon. Opinions were solicited at the forum on improving WEN HUI BAO and its affiliated publications in the course of building socialist spiritual civilization.

More than 200 people attended the forum. They were: Bo Yibo, vice chairman of the Central Advisory Commission of the CPC Central Committee; Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing Committee; Wang Shoudao and Wu Xiuquan, Standing Committee members of the Central Advisory Commission; Qian Changzhao, vice chairman of the CPPCC National Committee; Wang Daming, permanent deputy director of the Propaganda Department of the CPC Central Committee; responsible comrades of the relevant central departments and Beijing Municipality; and noted figures from various circles.

Bo Yibo, vice chairman of the Central Advisory Commission, delivered a speech. He said: "I subscribe to WEN HUI BAO. I read it every day, and can perceive the many new and excellent contents. By reading your paper, I can see that the resolution adopted by the Sixth Plenary Session is generally endorsed by the people. My hope for the paper is to serve the four modernizations, seek truth from facts, promote material and spiritual civilizations, and implement the double-hundred policy." [passage omitted]

Chen Pixian, member of the Secretariat of the CPC Central Committee, said at the forum: "With its long history, WEN HUI BAO is an influential paper at home and abroad. It is important to solicit opinions from the readers and writers, and pay serious attention to social effects." The current imperative task is to properly carry out the "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building Socialist Spiritual Civilization" and improve the running of WEN HUI BAO, he stressed. [passage omitted]

Shao Huaze, director of the Propaganda Department of the PLA General Political Department, said that WEN HUI BAO is well received among the many readers in the military. [paragraph continues]

He said: The publicity given by your paper to the advanced deeds of heroes in the self-defense war against Vietnam not only gives the localities a better understanding of the military, but is also of great encouragement to the soldiers. [passage omitted]

Ma Da, chief editor of WEN HUI BAO, presided over the forum. [passage omitted]

Attending the forum were officials of relevant central and Beijing municipal departments and noted figures of various circles Chen Minzhang, Zhu Muzhi, Ru Xin, Shi Ximin, Yuan Mu, Li Hong, Li Zhuang, Fan Rongkang, Fan Jingyi, Wang Chen, Man Yunlai, Lu Guang, Wang Ruoshui, Wu Xiang, Lin Zili, Yan Jiaqi, Sun Changjiang, Li Fu, Jia Chunfeng, Xue Dezhen, Zhang Xianyang, Lu Chuntian, Shen Baoxiang, Zhang Zonghou, Zhang Deqin, Liang Guangde, Zhong Dianfei, Luo Yijun, Xiao Mu, Su Yun, Hu Qimin, Wang Xiaotang, Chen Guangzhong, Zheng Dongtian, Qian Xuege, Feng Mu, Xu Juemin, Zhang Qie, Deng Youmei, Xie Yongwang, Meng Weizai, Li Guowen, Cong Weixi, Liu Xinwu, Mei Zhi, Wu Taichang, Chen Danchen, Yan Gang, Zhang Fengzhu, Zhou Ming, Chen Juntao, Xiao Desheng, and Ye Xiaogang.

#### SONG JIAN HEADS MARINE RESOURCES LEADING GROUP

OW031406 Beijing XINHUA in English 1336 GMT 3 Nov 86

[Text] Beijing, November 3 (XINHUA) -- The State Council set up here today a special leading group to take charge of the country's study, development and protection of marine resources.

A spokesman for the group said its purpose is to protect China's legal maritime rights, and organize and coordinate various departments to speed up maritime development.

The 17-member group, which is headed by State Councillor Song Jian, will make policies and plan surveys, development and protection of marine resources.

Song Jian, who is also minister in charge of the State Science and Technology Commission and a leading space expert, urged all the members from 17 departments, including the State Economic and Planning Commissions, and the ministries of communications and agriculture, animal husbandry and fisheries to make joint efforts and do the job well.

It will also organize and coordinate various departments to formulate laws, regulations and management systems relating to marine resources.

The spokesman said the leading group will organize scientists in different fields to launch important researches while coordinating major cooperative projects and multilateral cooperative projects with foreign countries.

In the sector of fishing alone, the aquatic product output of the country totalled 4.197 million tons in 1985, and more is expected this year.

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But China's ocean fishing industry is facing the problems of competition between fishing fleets of various regions and depletion of stocks.

Yan Hongmo, director general of the State Bureau of Oceanography, said at the meeting that after six-years of effort, China will have soon completed a nationwide survey of resources along the coast. The survey involves 15,000 people from more than 500 units.

#### Visits Patent Exhibition

OW031849 Beijing XINHUA Domestic Service in Chinese 1409 GMT 3 Nov 86

[Text] An external pacemaker developed by Guangzhou Zhongshan University has brought good news to cardiac patients. It is learned that a Hong Kong patient, who suffered from heart disease and had trouble climbing one story, can not climb seven stories with the use of this pacemaker.

The invention of this pacemaker is among the first items patented in China. Today this invention and 300 other patented technologies are on display in Beijing.

This evening, Song Jian, state councilor and minister in charge of the State Science and Technology Commission, and Lu Dong, minister in charge of the State Economic Commission, visited the exhibition. Many of these items have found applications in production.

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ANHUI OFFICIALS PREDICT RECORD HARVEST

OW010042 Beijing XINHUA in English 1525 GMT 31 Oct 86

[Text] Hefei, October 31 (XINHUA) -- Anhui Province in southeast China, which pioneered the rural reforms six years ago, is expected to reap 22.5 million tons of grain this year -- which will be a record, according to provincial officials.

Agricultural authorities predict that the province will be able to harvest 800,000 tons more than last year. They said that this will be in spite of difficulties caused by various kinds of natural disasters earlier this year.

Anhui has been hit by drought, flood, gales, hail and pests since spring.

Local authorities assisted peasants with funds, technology, and pesticides, and helped them expand the area for growing autumn crops by more than 130,000 hectares.

JIANGSU FANS DEMONSTRATE AFTER FOOTBALL MATCH

HK040816 Hong Kong AFP in English 0805 GMT 4 Nov 86

[Text] Beijing, Nov 4 (AFP) -- More than 2,000 people took part in a noisy protest after a football match in the eastern Chinese city of Nanjing, disrupting traffic for more than two hours, a reliable source said here Tuesday [4 Nov].

The spontaneous mass protest followed a football match in early September between the number two national team and the provincial team of Jiangsu, of which Nanjing is the capital, the source said.

Disgruntled spectators spilled out of the stadium and marched to Xijiekou in downtown Nanjing, singing the theme song from a popular television series which sides with the poor as they meet with injustice, the source said.

While the exact reason for the protest was not known, angry fans initially refused to leave the stadium at the end of the match, apparently waiting to throw bottles at the players when they left, the source said.

But when the players refused to come out, more than 2,000 singing protestors poured out onto nearby streets, jamming traffic in the downtown area for more than two hours, the source said.

In the TV series Ji Gong, the show's hero, a Buddhist monk, sings the theme song: "My hat is tattered, my shoes are full of holes, my clothes are shabby and you laugh at me. But wherever there is injustice, there you will find me."

Yan Jinglong, a spokesman for the Jiangsu Foreign Affairs Department, declined to answer questions about the report, saying he was under instructions from officials in Beijing not to give telephone interviews.

A spokesman for the Nanjing Police said they knew nothing about such an incident.

Numerous demonstrations have occurred in major Chinese cities since 1984, reflecting the growing disgruntlement of young people with unemployment and the rising cost of living, which are partly the spinoffs of economic reform, analysts said.

In July, the central city of Xian was reportedly rocked by another football riot in which several thousand spectators went on a rampage after a match, damaging taxis and tearing the clothes off several women.

The Chinese press described a riot in Beijing in May last year sparked by the defeat of the national team in a football match with Hong Kong as the most serious such incident to have occurred in China since 1949.

In the mayhem that followed that match, 25 cars, some belonging to foreigners, were damaged.

Of the several thousand angry fans who took part, 127 were arrested and five later jailed.

Several months later, thousands of students marched through the streets of Beijing, Xian and other cities to protest Japan's "economic invasion" of China, but also, diplomats said, to communicate to the authorities their discontent with their own lot.

In June, several thousand fishermen staged a protest outside the municipal government building in the northeastern city of Tianjin demanding wage increases.

Earlier in the year several hundred petitioners gathered outside the Chinese Communist Party headquarters in the capital to press demands for the redress of various grievances.

They held up a banner that read: "Deng Xiaoping, save us." Mr Deng is the Chinese leader.

Most of an estimated 20 million unemployed in China are young people, Western experts say.

Official Chinese statistics show three million people "waiting for work," the expression used for unemployment.

#### JIANGSU OPENS TOWNS TO FOREIGN INVESTMENT

OW020235 Beijing XINHUA in English 0211 GMT 2 Nov 86

[Text] Nanjing, November 2 (XINHUA) -- East China's Jiangsu Province opened 40 towns in its economically developed southern region to foreign investment recently, a provincial official said here today.

These brought the total of key industrial satellites in the Suzhou-Wuxi-Changzhou economic area to 69.

Enjoying status equivalent to towns where county and city authorities are seated, the satellites will arrange their production according to the need of exports.

Before 1990, the towns will import key equipment and instruments which China cannot produce, or are in short supply, to upgrade existing enterprises. They will enjoy preferential treatment in tariffs and other taxes.

#### JIANGXI LEADERS ATTEND EAST CHINA ECONOMIC MEETING

OW040931 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 3 Nov 86

[Excerpts] Yesterday evening Governor Wu Guanzheng and Vice Governor Jiang Zhuping were briefed at the Xiangshan Guesthouse in Nanchang on the third east China meeting on economic structural reform by city and prefectural delegates to the meeting. Comrade Wu Guanzheng affirmed that the general situation in economic reform in Jiangxi was good, but also made some suggestions on how to further boost the province's economic structural reform.

Comrade Wu Guanzheng stressed: Party committees and governments at all levels must regard reform as an important part of their work. Reform should be put under the charge of special organs, qualified cadres, and principal leaders. [passage omitted] He said: The relevant departments of the provincial government should take appropriate steps to transfer more decisionmaking powers to city and prefectural enterprises. Attention should be paid to exercising the transferred decisionmaking powers. [passage omitted]

Wu Guanzheng pointed out: Expanding lateral economic ties is of strategic importance to economic structural reform. Therefore, vigorous efforts must be made to promote lateral economic cooperation, develop enterprises that produce high-quality brand-name products, encourage joint development and use of both surface and underground natural resources, and expand both urban and rural markets.

Wu Guanzheng particularly emphasized the following: The task of economic structural reform next year should concentrate on increasing the vitality of enterprises and enlivening the rural economy. Achieving prosperity in the countryside is as important as increasing enterprise vitality. Plans should be drawn up to open markets of the means of production to the public. Nanchang and Jiujiang should learn from Shijiazhuang's experience in relaxing controls over markets for steel products. Enterprises should experiment with the joint-stock system. Plans should be made to set up capital markets. The most effective way to improve the market system is to open more consumer goods markets. He urged the leadership at all levels to select typical examples in the course of economic structural reform and to use them to inspire and educate the people of Jiangxi. The press should vigorously publicize the importance of reform so as to win public support for reform.

#### SHANDONG COUNTY, TOWNSHIP TO ELECT PEOPLE'S CONGRESS

SK040515 Jinan Shandong Provincial Service in Mandarin 2300 GMT 3 Nov 86

[Text] Station reporter (Gao Xuezhou) has learned from the provincial electoral work conference which ended on 3 November that the 3-year term of the county- and township-level People's Congresses will expire in 1987 and that elections for the change of terms will be comprehensively conducted in the coming winter and spring.



The provincial People's Congress Standing Committee held a provincial electoral work conference in Jinan from 31 October to 3 November, and set forth suggestions on changing the terms of and electing county- and township-level People's Congress.

The county- and township-level People's Congress should link term-shift work and electoral work with rural party rectification work. Before the Spring Festival, the county- and township-level People's Congresses should conduct propaganda and mobilization, define electoral districts, conduct voter registration, and decide key cadres in charge of electoral work. After the Spring Festival, they should first nominate candidates for deputies through discussions, and then elect people's deputies. New People's Congresses should hold their first meetings by the end of next April or no later than the end of June.

The conference stressed that newly elected people's deputies must have certain abilities in conducting social activities and discussing politics, and must do their duties according to the law. With regard to the structure of deputies, we should stress not only the deputies' ability in discussing politics but also their [words indistinct].

The provincial People's Congress Standing Committee pointed out that term-shift and electoral work is political work that should be carried out earnestly and carefully. Thus, it must be carried out democratically and in strict accordance with the law.

#### SHANDONG SECRETARY VIEWS REUNIFICATION ART EXHIBIT

SK311157 Jinan DAZHONG RIBAO in Chinese 20 Oct 86 p 1

[Text] On the afternoon of 18 October, Liang Buting, secretary of the provincial party committee and He Guoqiang, Standing Committee member of the provincial party committee and deputy secretary of the Jinan City party committee, viewed an exhibition sponsored by the Jinan City party committee concerning calligraphy and painting works with contents related to motherland reunification. During his visit, Comrade Liang Buting highly evaluated the exhibition and contended that, through the artistic forms of calligraphy and painting, compatriots in both Taiwan and the mainland may convey their desire to reunify the motherland and that this is a good form.

#### ZHEJIANG'S WANG FANG ON TEAM, GROUP BUILDING

OW020857 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 30 Oct 86

[Text] At this afternoon's meeting jointly sponsored by the provincial Trade Union Council and provincial Planning and Economic Commission to exchange experiences in team and group work, a ceremony was held to commend and issue prizes to advance teams and groups. Some 216 teams and groups from various fronts of the province received prizes.

Wang Fang, secretary of the provincial party committee, attended and spoke at the meeting. He pointed out that teams and groups are basic professional units of enterprises as well as forward posts for training professional staff and worker contingents and building socialist spiritual civilization. In the current new situation of reform, strengthening team and group building is a task of great urgency. He called on departments concerned to effectively strengthen leadership and make the task a success. The provincial meeting to exchange experience in team and group work began on 29 October.

GUANGDONG INITIATES FARMLAND USE CHARGES

HK050449 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 2 Nov 86

[Text] To strictly control the use of cultivated land for nonagricultural purposes in order to open up more wasteland and barren hills as quickly as possible and to keep the area under cultivation relatively stable, the provincial government has decided to impose charges on units and individuals using farmland for nonagricultural purposes as a land reclamation fund.

On 11 October the provincial government issued rules and regulations for collecting such charges. According to these rules and regulations, collective units owned by the whole people and individuals who use farmland for nonagricultural purposes within the administrative region of Guangdong Province, including peasants who use cultivated land for building houses, should first get approval from the departments concerned and should pay a certain amount of money toward a land reclamation fund. However, key state construction projects as well as Chinese-foreign joint ventures, cooperative enterprises, and enterprises run exclusively with foreign investment, which are offered preferential treatment by the government for their investment, need not pay such charges for using cultivated land, after they have been examined by the provincial State Land Department and approved by the provincial government.

GUANGZHOU MEASURES ENCOURAGE FOREIGN INVESTMENT

OW041402 Beijing XINHUA in English 1307 GMT 4 Nov 86

[Text] Guangzhou, November, 4 (XINHUA) -- Enterprises with foreign investment in Guangzhou, capital of South China's Guangdong Province, shall be exempt from site use fees during their capital construction, according to Mayor Zhu Senlin.

Zhu said the maximum site use fee for Guangzhou's export enterprises and technologically advanced enterprises with foreign investment shall be 2.5 yuan per square meter per year, except for those located in busy urban sectors of the city.

Zhu said that under the new measures, a supplement to the Chinese Government's provisions to encourage foreign investment published October 11, if foreign investors buy the city's products for export with their profits in foreign exchange, these products shall be exempt from consolidated industrial and commercial tax.

The new measures also include exemption of bonus tax for enterprises with foreign investment, according to the mayor.

Sino-foreign joint ventures can issue stocks and bonds in the country, with approval.

Zhu designated 23 of Guangzhou's Chinese-foreign equity joint ventures and Chinese-foreign cooperative ventures as the city's first group of export enterprises and technologically advanced enterprises with foreign investment, as defined in the State Council's provisions.

Zhu said that Guangzhou has established 302 enterprises with foreign investment since 1979 and preparations are under way for another 289 such enterprises.

According to a survey of 175 such established enterprises, a total profit of 100 million yuan had been earned from these enterprises by the end of 1985, but 12 percent of the enterprises are in debt, Zhu added.

#### GUANGXI PRODUCTION FIGURES SHOW GOOD SITUATION

HK050445 Nanning Guangxi Regional Service in Mandarin 1100 GMT 1 Nov 86

[Excerpt] This year's industrial and agricultural production situation in our region by the large is good. This was stated by (Xie Kexue), vice chairman of the regional Planning Committee, at this morning's session of the 23d meeting of the 6th regional People's Congress Standing Committee.

On behalf of the regional people's government, he delivered a report on the current situation in our region's industrial and agricultural production at the session. Speaking on agricultural production, (Xie Kexue) said: Despite repeated natural disasters of storms, droughts, floods and insect pests, progress has still been made. It is estimated that this year's gross output value in agriculture will increase by 2.8 percent over last year. But this figure is still lower than the national growth rate of 4 percent. (Xie Kexue) said: With regard to industrial production, the total regional output value between January and September increased by 6.05 percent over the corresponding period of last year, almost equal to the national growth rate of 6.4 percent. Economic results in essence are good. The output value of state-run enterprises between January and August increased by 5.2 percent over the corresponding period of last year, marketing income by 10.9 percent, profit by 5.5 percent, and taxes delivered by 19 percent. All these figures are higher than the national growth rate during the corresponding period of time.

At this morning's plenary session of the 23d meeting of the 6th regional People's Congress Standing Committee, on behalf of the regional people's government, Liu Mingshan, deputy director of the regional Finance Bureau, delivered a report on implementing the regional budget from January to September 1986. He said: Achievements have been made this year in implementing the regional budget. Regional revenues from January to September reached 76.8 percent of the budgeted figure, an increase of 11.1 percent over the corresponding period of last year. [passage omitted]

#### HUBEI LEADERS INAUGURATE MARTYR'S CEMETERY

HK050415 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 1 Nov 86

[Excerpts] Today the provincial party committee and the provincial government held a solemn ceremony in (Xinguo) Town, Yangxin County, to inaugurate a cemetery for southeast Hubei revolutionary martyrs, at the juncture of the Hunan-Hubei-Jiangxi border. [passage omitted]

Seated on the rostrum at today's inauguration ceremony were: Wang Ping, member of the Central Advisory Commission Standing Committee; responsible comrades of the provincial party, government and military including Guan Guangfu, Guo Zhenqian, Huang Zhizhen, Shi Chuan, Lin Shaonan, Wang Ruisheng, (Wang Sen) and Zhang Xueqi; and representatives of veteran Red Army soldiers and cadres from Hunan and Jiangxi who worked and struggled in southeast Hubei during various historical revolutionary periods.

Guo Zhenqian, deputy secretary of the provincial party committee and governor, presided over the ceremony. Guan Guangfu, secretary of the provincial party committee, made a speech at the ceremony.



He said: During various historical revolutionary periods since 1927 when the party held its 7 August meeting until the birth of New China, the people living at the juncture of the Hunan-Hubei-Jiangxi border, under the leadership of the CPC, had made massive sacrifices for the sake of winning China's revolution. They made contributions and performed meritorious deeds which will never be obliterated, and performed many heroic and moving deeds during these times. Today, when commemorating the revolutionary martyrs, we must seriously study the spirit of the resolution adopted by the 6th Plenary Session of the 12th CPC Central Committee. We should cultivate socialist citizens who possess ideals and ethics, are well-educated, and observe discipline. In order to do so and to improve the ideological and ethical standards, as well as the scientific and cultural standards of the Chinese nation as a whole, we should carry forward the ideals of the martyrs and their glorious tradition. We should also work hard and make progress in an innovative way. We should strive to make greater contributions in building the two civilizations.

The following also spoke at the ceremony: Wang Ping; Yang Chen, vice minister of civil affairs; Xu Shaolin, representative of Jiangxi Province; Huang Daoqi, representative of Hunan Province; (Wang Yijun), representative of veteran Red Army soldiers and cadres who struggled and worked in southeast Hubei; and (Chen Yun), representative of the martyrs' families. Huang Huoqing, member of the Central Advisory Commission Standing Committee, sent a congratulatory telegram to the ceremony. Wang Ping; Huang Zhizhen, chairman of the provincial People's Congress Standing Committee; Xu Shaolin, advisor to Jiangxi provincial people's government; and Huang Daoqi, vice chairman of the Hunan provincial People's Congress Standing Committee, cut the ribbon at the ceremony. They also laid wreaths at the martyrs' monument. The wreaths were presented by Wang Ping and Huang Huoqing; Cheng Zihua and He Changgong, vice chairmen of the CPPCC; Hubei provincial party committee and government; Jiangxi provincial party committee and government; Hunan provincial party committee and government; Ministry of Civil Affairs; Xianning prefectural party committee and Commissioner's Office; Yangxin County party committee and government; Pu Anxiu, wife of Peng Dehuai; representatives of veteran Red Army soldiers and cadres; and representatives of the martyrs, families. [passage omitted]

#### SMUGGLERS OF CULTURAL RELICS PUNISHED IN HUNAN

##### Government Employees Sentenced

OW030920 Beijing XINHUA in English 0900 GMT 3 Nov 86

[Text] Beijing, November 3 (XINHUA) -- Five government employees in central China's Hunan Province were sentenced to imprisonment for smuggling cultural relics to Hong Kong.

Zhao Xinghua, former manager of the Hunan provincial branch of the China National Arts Export and Import Corporation, and Xu Huaishan, former deputy manager, were charged by representatives of the enterprise implicated in the case.

This case was one of the few crimes involving enterprises charged as defendants handled by Chinese courts in recent years.

Zhao and Xu, together with three others, illegally purchased more than 120,000 cultural relics across the province from 1978 to October of 1983. In three years, ending January 1983, the branch signed 12 contracts to sell the items to a Hong Kong relics firm, resulting in 21,771 items valued at more than 372,000 yuan (100,000 U.S. dollars) smuggled out of the mainland.



Customs officials stopped 8,728 pieces which were intended to fulfill the 12th contract. More than 1,000 pieces in the lot were restricted from export under the country's law on the protection of antiques.

Experts from the Relics Bureau said twenty-six of the items are considered "rare." They also said one is a porcelain spittoon inscribed with the saying "never forget national humiliation." The spittoon, the only one of its kind in the country, reflects the Chinese people's struggle against Yuan Shikai, a warlord in the late 19th century.

The 370,000 yuan (100,000 U.S. dollars) earned from the contraband itself and the 156,000 yuan (42,200 U.S. dollars) profit from its sale at domestic markets was confiscated by customs, taxation and industrial and commercial administration departments. In addition, the branch was fined 740,000 yuan (200,000 U.S. dollars).

The manager of the Hong Kong firm implicated in the case confessed of this crime and his bribery of the Chinese offenders. He was fined one million Hong Kong dollars (128,200 U.S. dollars).

#### Dismissed Case Reinvestigated

HK040535 Changsha Hunan Provincial Service in Mandarin 0100 GMT 1 Nov 86

[Text] According to HUNAN RIBAO, under the supervision of the provincial People's Congress and the provincial People's Procuratorate, the Changde County People's Procuratorate recently corrected a wrong decision not to prosecute (Liao Xianfu), who destroyed cultural relics, and is now investigating (Liao)'s responsibility.

On 6 April last year, the Changde prefectural cultural relics team found a group of ancient tombs at a site in (Zhangshushan) under the (Jizhu) Brickyard, (Guanxi) Township, Changde County. Specialists from the relevant provincial and prefectural departments believed that the tombs belonged to the early Western Han Dynasty of the Warring States Period. To protect the cultural relics and prevent them from damage, a deputy head of Changde County held a meeting in (Guanxi) Township to arrange the work of excavating and protecting the tombs. After the meeting, the county Public Security Bureau and Culture Bureau erected 43 red flags in the central part of the tombs, each carrying the words: Ancient Tombs -- Digging Prohibited. They also posted laws on protecting cultural relics inside the (Jizhu) Brickyard and gave much publicity to protection of cultural relics.

In early May the brickyard lacked soil for production. (Liao Xianfu), deputy director of the Enterprises Management Office of (Guanxi) Township, brazenly destroyed the ancient tomb site and instructed (Wang Jianying), deputy manager of the brickyard, and (Pi Yougui), a brickyard workshop director, to use a bulldozer to dig earth on the site, thus causing serious damages to the state's cultural relics.

After investigation, the Changde Public Security Bureau believed that (Liao Xianfu) had done constituted a crime of deliberately destroying cultural relics and instructed the procuratorate to prosecute him according to the law. On 15 January this year, the Changde County People's Protectorate decided not to prosecute (Lian Xianfu) on the grounds that the responsibility should be borne by several persons and the criminal case was not serious. This evoked a strong reaction from all parties.

(Wang Yuehua), member of the provincial People's Congress Standing Committee and executive member of the Education, Science, Culture, and Public Health Committee under the provincial People's Congress, and other comrades, discovered this problem when inspecting Changde at the end of June. After returning to Changsha, they twice told the provincial People's Procuratorate that it was inappropriate not to prosecute (Liao Xianfu). Criminals must be severely punished according to the law on protecting cultural relics. The provincial People's Procuratorate immediately investigated and handled the case. After investigation, it held that (Liao Xianfu) deliberately destroyed the state's cultural relics and that this was a serious case. (Liao) should not be exempted from prosecution. It is necessary to investigate and affix his responsibility in the criminal case. It is indeed inappropriate for the Changde County procuratorate not to prosecute (Liao Xianfu), and this wrong decision must be corrected.

On 7 October, the Changde County People's Procuratorate overrode the decision not to prosecute (Liao Xianfu) and prosecuted him according to Article 174 of the Criminal Law. The case is now being tried and handled by the court.

#### HUNAN PRAISED FOR RURAL PUBLIC HEALTH REFORM

HK050427 Changsha Hunan Provincial Service in Mandarin 0100 GMT 1 Nov 86

[Excerpts] According to HUNAN RIBAO, an investigation team for reforming rural public health, headed by Comrade He Jiesheng, vice minister of public health, came to Hunan on 20 October to conduct an investigation.

On the afternoon of 31 October, the team briefed Mao Zhiyong and other leading provincial party committee and government comrades on the investigation. They pointed out that the reform of rural public health in Hunan has set a good example for the whole country. The team comrades were particularly impressed by the following three points: 1) Party and government leaders at all levels in Hunan have attached importance to rural public health reform. They are very concerned about public health work and put it in a proper position. 2) After conducting in-depth investigation, party and government leaders at all levels have made policy decisions on rural public health reform which correspond with reality. 3) Party, government, and other departments at all levels in the province have taken practical steps toward public health. [passage omitted]

After hearing the report, Mao Zhiyong and other leading comrades pointed out that the provincial party committee and government are determined to take further measures and do solid work in the next few years so as to improve the province's rural public health during the Seventh 5-Year Plan.

#### BRIEFS

HUNAN SMALL TOWNS -- The number of towns under the jurisdiction of a county government in Hunan Province has increased from 162 in 1980 to 542 now, and 6 of these towns have developed into cities. The population of the small towns throughout the province is 8.19 million and accounts for one-seventh of the total population of the province. The number of industrial and commercial enterprises of the small towns increased from 129,000 in 1980 to 415,000 in 1985, and their industrial output value increased from 6.4 billion yuan to 13.4 billion yuan. [Summary] [Changsha Hunan Provincial Service in Mandarin 1100 GMT 11 Oct 86 HK]

TIANJIN OFFICIAL WRITES ARTICLE ON JOINT VENTURES

SK050507 Tianjin TIANJIN RIBAO in Chinese 13 Oct 86 p 2

[Article by Li Lanqing, vice mayor of Tianjin Municipality: "Accelerate the Use of Foreign Capital and Strive To Build More and Better Chinese-Foreign Joint Ventures"]

[Excerpts] Since 1979 when the state promulgated its first "law on Chinese-foreign joint ventures," the Tianjin municipal party committee and government have actively and conscientiously implemented the central policy of opening to the outside world and establishing Chinese-foreign joint ventures. Some 6 years have elapsed. Since 1980 when Tianjin's first Chinese-foreign joint venture -- the Tianjin Coast Shrimp Farm -- was established, 184 Chinese-foreign joint ventures and cooperative enterprises have been established, of which 60 percent are projects related to industrial and agricultural production. The past 6-year course can be divided, in general, into two stages. The first was a stage for experimentation which ran from 1979 to 1983. The second was a stage for development which began in 1983.

It is an important change in the strategy for China's economic development to go from a closed-door policy to opening our country to the outside world. All our ideological understanding, knowledge, experiences, investment climate, laws and regulations, systems, and policies underwent a process of adaptation and improvement. Foreign businessmen who came to invest in Tianjin also underwent a process of understanding, observation, and probation. Therefore, in the first stage, Tianjin established only the Tianjin Coast Shrimp Farm, the Chinese-French Grape Wine Limited Corporation, the China Tianjin Jinhua Knitwear Limited Corporation, the Tianjin Otsuka Pharmaceutical Limited Corporation, and two other small and medium Chinese-foreign joint ventures. Thanks to the concerted efforts of relevant Chinese and foreign investors and the coordination and support of various quarters, the first group of joint ventures proved to be fairly successful. Because these joint ventures imported advanced technology and created fairly high production efficiency, their products were of high quality, competitive, and well received in domestic and foreign markets, thus creating satisfactory benefits for both Chinese and foreign sides of the joint ventures. Successes during the experimental stage were not confined to the joint ventures alone. The experiment enabled the people to better understand the important significance of the central policies on opening to the outside world and establishing Chinese-foreign joint ventures, and to further unify their understanding. At the same time, we accumulated experiences through practice, increased our knowledge, improved the laws and regulations concerning foreign nationals, trained personnel, and created favorable conditions for further development.

Since the second half of 1983, Chinese-foreign joint ventures in Tianjin have entered a stage of development. To date, 77 of the 184 Chinese-foreign joint ventures on which agreements were signed have opened business or gone into operation. The economic and technological development zone established near the harbor has expanded even more rapidly. In less than 2 years since November 1984 when preparations for establishing the zone started, infrastructure facilities such as water supply and drainage pipes and roads covering nearly 3 square km have been generally completed; 44 contracts on Chinese-foreign joint ventures and cooperative enterprises and 22 contracts on enterprises built in cooperation with domestic units have been signed with foreign firms; construction of 38 enterprises has started; and 8 production enterprises have gone into operation. By the end of this year 20 more production enterprises are expected to begin operation. [passage omitted]

As has been proven in practice, establishing Chinese-foreign joint ventures is conducive both to accelerating China's four modernizations and to foreign firms who come to invest. [paragraph continues]



It is an undertaking of mutual benefit. In particular, central leaders said during a recent inspection tour in Tianjin that Tianjin should be built into an open, export-oriented economic center emphasizing light industry and the processing industry. To realize this strategic goal, we should accelerate the use of foreign capital, establish more and better Chinese-foreign joint ventures, and strive to carry out our work successfully in line with the following principles.

1. We should exert greater efforts to successfully run the existing Chinese-foreign joint ventures. When foreign traders run enterprises with their capital in our country, they have some doubts and misgivings because of the short period of our country's opening to the outside world, the imperfection of pertinent regulations and provisions, the shortage of basic facilities for opening to the outside world, and the different social systems. To clear their minds of doubts and misgivings and to make them feel relieved while making investments in our country, it is very important to strengthen cooperation with those foreign traders who have already invested in running plants in our country and who have successfully run the existing Chinese-foreign joint ventures, in addition to vigorously improving pertinent regulations and provisions and constantly improving the investment environment. Pertinent departments of our municipality, particularly units in charge of Chinese-foreign joint ventures, should support and run well joint ventures in various fields, respect the decisionmaking power of the directorates of joint ventures, support the autonomy of managers of both Chinese and foreign sides of joint ventures in exercising operations, help them solve their problems in production and management, educate workers and staff members of joint ventures to observe rules and regulations of their enterprises and improve their professional and technical expertise, and encourage both Chinese and foreign traders to seek cooperation in a bid to successfully run joint ventures and yield satisfactory results. Directorate chairmen and managers of the Chinese side of joint ventures should cooperate with the foreign side to run joint ventures well, not merely for the Chinese side, and should handle affairs in line with pertinent regulations, stipulations, and contracts. In short, running well the existing Chinese-foreign joint ventures is the best way to propagate our country's open policy, as well as an attraction with the most practical force. Success or failure in this work is also a criterion for judging our attitude on the open policy. Therefore, by no means should we neglect this work.

2. While initiating Chinese-foreign joint ventures, we should treat industry, advanced technologies, and exports as dominant factors. Because it is an urgent need to build some necessary service facilities, and we lack experience in this regard, it is necessary to cooperate with foreign traders to build some international-class hotels, restaurants, bars, golf courses, and taxi companies at the initial stage. However, this is not our major and direct purpose in running the Chinese-foreign joint ventures, and, comparatively speaking, the management and technology for running those service-oriented joint ventures are not so complicated as those for running most industrial items. Therefore, it should not be vigorously expanded in the future. If it is necessary to continually build such service-oriented facilities, they should be built mainly by our own efforts. So long as we make good use of managerial methods and the experiences of pertinent joint ventures for reference, I believe that we can also run such enterprises well. As an important comprehensive industrial base for our country, Tianjin is relatively rich in natural resources. For instance, there are deposits of inland and coastal petroleum, salt, natural gas, coal, subterranean heat, violet sand [4793 4263 0960], wheatball stone, and other non-metal minerals. There is also a modern port, mainly importing and exporting sundry goods, which is one of the largest container wharfs of China. Tianjin has 29 institutions of higher learning, 149 scientific research institutes, 70 engineering design institutes, a 130,000-person scientific and technological contingent, and relatively extensive foreign trade channels and various kinds of foreign trade facilities. [paragraph continues]



Although Tianjin is relatively backward in the field of industrial technology when compared with the advanced international level, it still has a considerably developed foundation. Therefore, while running Chinese-foreign joint ventures, we should make full use of Tianjin's superiority, take industry as the key link, and pay attention to importing advanced technologies rather than backward technologies, which will not only waste our money, but also burden us. Though such cases are few, it should be taken as a lesson. Something else is that when establishing Chinese-foreign joint ventures, we should focus on export-oriented projects. Generally speaking, there are three purposes for foreign capital use. One is to absorb funds from abroad, another is to import advanced foreign technology and managerial experiences, and the third is to expand exports. The former two purposes can also be achieved through foreign loans, purchases of specialized foreign technologies and licenses, and importing foreign expertise in addition to establishing Chinese-foreign joint ventures. However, establishing a Chinese-foreign joint venture can achieve all three purposes simultaneously and, in particular, can enable us to master the channels, information, experiences and knowledge related to the world market more rapidly. At present we should pay attention to launching more Chinese-foreign light industrial and processing joint ventures which produce goods in fairly great demand on the world market, which our municipality is more capable of establishing, and which can yield quicker returns. For example, we can establish small and medium joint ventures to produce garments, fabrics, shoes, foods, bicycles and their spare parts, watches, kitchen utensils, sporting goods, vehicle spare parts, metal products, and toys. Generally speaking, when joint ventures can sell their products on the world market, their technology must advance and they must have a competitive edge in the world market. At the beginning, some foreign firms could not accept our requirement for exporting goods produced by joint ventures in order to balance foreign exchange. Later, through practice, they gradually came to understand that exporting goods of joint ventures did not harm their interests or curtail their original markets. Instead, it helped enlarge their shares of the world market. Through their investment, they can obtain products of high quality and low cost and earn satisfactory profits, while acquiring additional profits from exporting the products. For this reason, more and more foreign firms have become willing to accept the principle of exporting their products and balancing foreign exchange. Practically all Chinese-foreign joint ventures established in our municipality after approval were established in line with this principle. Judging by the situation of Tianjin's Chinese-foreign joint ventures which have already opened business or gone into operation, industrial production joint ventures in particular, they can basically balance foreign exchange. Some of them can even produce a surplus, thus increasing foreign exchange earnings. Based on our needs, we will also establish some Chinese-foreign joint ventures which produce substitutes for imports, or products for indirect export in order to replace imported goods with those produced by the joint ventures in the country. Meanwhile, we will allow joint ventures whose products are in great demand on the domestic market and which are capable of balancing foreign exchange to sell some of their products on the domestic market.

3. The foundation for establishing Chinese-foreign joint ventures is "equality and mutual benefit," and we should adhere to this principle from the beginning through to the end. This principle is easier said than done. A few years ago, as far as our side is concerned, there were indeed some cases of our being defrauded due to our lack of knowledge and experience. However, in more cases, due to a fear of being defrauded, some of our comrades gave undue consideration to their own interests to the neglect of those of their counterparts. In other words, they were too "stingy" when doing the accounts, and therefore caused some projects which could have benefited both parties to fall through. [paragraph continues]

A few comrades even considered Chinese-foreign joint ventures "a chunk of fat meat," always trying to take one more mouthful. This was very wrong and made those who were willing to come to invest feel afraid to come, and those who had already come withdraw out of fear. Therefore, over the entire course of establishing Chinese-foreign joint ventures, from holding discussions and conducting feasibility studies to construction and operations, we should always adhere to the principle of "equality and mutual benefit." This is the ideological foundation which decides whether we can establish more and better Chinese-foreign joint ventures or not.

4. When establishing Chinese-foreign joint ventures, we should strive to overcome bureaucracy and raise efficiency in administrative and service work. All foreign friends who come to invest in plants and do business consider market and commercial opportunities. To seize the opportunities, they need accurate information and rapid acts which condition each other. That is, only when they have accurate information can they have firm determination and rapid acts, and conversely, only when they have rapid acts and take a little time can their information be more accurate. Therefore, experienced foreign firms lay great stress on work efficiency. For this reason, when we cooperate with foreign firms and establish Chinese-foreign joint ventures, we should adapt ourselves to the "quick tempo." We have always paid attention to this issue and tried to resolve it over the past few years. This is one of the important reasons why our joint ventures have developed fairly rapidly. We should also note, however, many of our systems and work styles fail to meet needs. People who understand the situation do not have a say, and those who have the power of final say, more often than not, do not understand the entire situation, are hesitant, and have difficulty making a decision. Some departments are implicated with one another, and all have "veto power." Their work cannot be carried out smoothly once any of them gives the "red light." Sometimes, they are dilatory in doing work, treating their procrastination as being "accurate," "meticulous," and "stable." Therefore, reform and opening to the outside world also condition and promote each other. Only by striving to reform the administrative system can we speed up our pace of opening to the outside world. Some foreign firms say that their investment will come to where there is greater decisionmaking power and high work efficiency. This is reasonable. Our previous regular joint meetings participated in by various relevant departments and designed to help Chinese-foreign joint ventures solve some difficulties and problems have yielded fairly good results. At present we are actively preparing to establish an "administration and service center related to foreign nationals" in order for foreign firms which plan to invest in Tianjin and the already established joint ventures to go through various administrative procedures there, and to basically satisfy their needs for various consultation services without going to other offices. A success in the work of the center will no doubt greatly expand Tianjin's foreign capital use and develop Chinese-foreign joint ventures. Most important, of course, is still to expedite the reform of our administrative structure.

5. We should further improve the investment climate for the establishment of Chinese-foreign joint ventures. Tianjin has done a great deal of work in this connection over the past few years. For example, it completed the project to divert Luan He water to Tianjin to solve its problems in water supply for urban residents and industrial plants; completed the central ring road to greatly improve urban traffic; carried out the urban gas supply project; checked urban pollution to improve urban sanitation; constructed a large amount of residential houses to improve housing conditions and beautify the city; reformed the harbor administrative system and updated large amounts of equipment to greatly raise efficiency in cargo loading, unloading, and transportation; renovated and built several telecommunications facilities, hotels, department stores, restaurants and bars to advanced world standards; and formulated several laws and regulations concerning foreign nationals. In addition, our wages and land are less expensive. All these are important conditions for the fairly rapid development of Tianjin's Chinese-foreign joint ventures over the past few years. However, we should note that our investment climate is still not perfect. [paragraph continues]

We should first concentrate forces on accelerating the construction of energy projects. We should try every means possible to begin construction of the Beijing-Tianjin-Tangshan expressway earlier and to improve the transportation facilities between urban districts and harbors. We should further perfect local laws and regulations related to foreigners to reduce interference created by the people and to enable both Chinese and foreigners to handle affairs according to laws and regulations. We should further implement the central authorities' preferential policies and measures for bringing in more foreign capital. Special preferential treatment should be given to the export-oriented or technologically advanced Sino-foreign joint ventures. Blind increases in wages for staff members and workers of Sino-foreign joint ventures, and inappropriate competition for wage hikes should be brought under strict control. The standards for collecting land use fees should strictly be controlled lest the country lose its advantages for absorbing foreign capital. We should further improve facilities for foreigners, particularly foreign residents, such as improving their living environments, service and recreation centers, and the educational facilities for their children. We should further improve communications, international and domestic aviation, and tourist areas. We should make efforts to allow foreign businessmen who make investments in Tianjin a sense of safety, a sense of enjoying preferential treatment, and peace of mind.

6. We should accelerate the pace of cultivating talented people to run Sino-foreign joint ventures. Whether our country's cause of opening to the outside world can develop smoothly hinges on if we can keep pace with the demand of cultivating talented people. Due to the fact that our country closed itself for many years, we lack a large number of skilled persons to guide and engage in work in the international economic, banking, law, financial, accounting, management, marketing, and construction fields. We could not but adopt emergency measures to accelerate the cultivation of talented people in 1984. Among more than 1,600 in-service cadres with a university-level education who responded to the public call of the municipal party committee and government on further study, through examinations, the municipal party committee and government selected and sent 200 cadres to Nankai University and the Tianjin Finance and Economics Institution to study advanced courses related to professional information on cooperation with foreign countries. At present, most of them have become key managers in charge of the municipality's external affairs and key technicians of Sino-foreign joint ventures. However, a lack of talented people is still a serious problem in our municipality. Leading comrades of some departments and enterprises fail to thoroughly understand the central authorities' policy of opening the country to the outside world and have neither sufficient knowledge nor experience in this regard. This is a factor that directly affects the better implementation of the policy of opening the country to the outside world. The managers and staff members of the Chinese side in some Sino-foreign joint ventures have directly affected the ventures' management due to their poor professional ability. Accelerating the cultivation of talented people in this regard is a task of urgent importance. Universities, colleges, and specialized secondary schools should adopt various measures to cultivate higher and middle-grade specialized personnel. Specialized personnel with certain educational levels should be selected to enter short and medium-term training courses on specialized information. Simultaneously, we should open classes on specialized information to train, in groups and by stages, leading cadres of relevant departments, work personnel in charge of external affairs, and managers and key staff members of the Chinese side in the Sino-foreign joint ventures. If we do not successfully solve this problem, a lack of talented personnel will become a key factor that affects the smooth progress of the cause of opening the country to the outside world.

So far, Tianjin has made a good start in running Sino-foreign joint ventures. Our municipality's economic and technological developments zone is flourishing. [paragraph continues]



Only when we further conscientiously master and implement the central authorities' principles and policies for opening to the outside world and conducting reform, and so long as we conscientiously do our work, it is certain that more and more foreign traders will come to Tianjin to make investment, that more and more Sino-foreign joint ventures will be established and developed in Tianjin, and that the grand cause of building Tianjin into an open, export-oriented, and light and processing industrial economic center will be realized at an early date.

#### URBAN CREDIT COOPERATIVES TO APPEAR IN TIANJIN

SK040430 Tianjin City Service in Mandarin 2330 GMT 14 Oct 86

[Text] Urban credit cooperatives, a kind of developing banking organ which will end the situation in which state banks have been monopolizing the banking operation for more than 30 years, will soon appear in Tianjin Municipality.

In recent years, with the development of the diversified economy, banking services have become more and more necessary to collective and individual economic units. However, under the present situation in which state banks monopolize the banking business, it is impossible for the state banks to attend to all the collective and individual industrial and commercial enterprises. Urban credit cooperatives are mass cooperative banking organizations. They depend on the total amount of shares and deposits they absorb to operate their business independently. They are financially independent and responsible for their own profits and losses. They will be managed democratically.

The emergence of these organs will provide conveniences for the collective enterprises and individual industrial and commercial households in opening accounts, calculating accounts, and taking loans, and for promoting the development and production of the collective and individual economic units.

#### TIANJIN POWER TRANSMISSION LINE OPERATIONAL

SK040454 Tianjin City Service in Mandarin 2330 GMT 15 Oct 86

[Text] A 500,000-volt superhigh tension power transmission and transformation project in the Beijiao District of Tianjin, one of the key energy construction projects of the state, went into trial operation on 15 October after successfully passing a systematic test. This is currently China's top-class power transformation substation. The main equipment came from eight countries including the Soviet Union and France, as well as from such cities as Nanjing and Shenyang. It is grand and the equipment is of the best quality.

This project began on 1 April last year and was designed and constructed by the Huabei Power Design Institute, the Tianjin Municipal Power Bureau, the Power Construction and Maintenance Company, and the Beijing Power Supply and Transformation Company.



HEILONGJIANG, NEI MONGGOL SIGN ECONOMIC AGREEMENTS

SK030715 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 2 Nov 86

[Text] Our province signed agreements with the Nei Monggol Autonomous Region people's government on further developing economic and technological cooperative relations.

A lateral economic cooperation delegation from the Nei Monggol Autonomous Regional People's Government paid a friendly visit to our province from 28 October to 2 November. Both sides fully probed the sphere of how to expand cooperation and unanimously held that, owing to historical and geographical reasons, the province and the region have their own strong points and similar conditions. The two areas are places awaiting further development. Both sides expressed that they will use their surpluses to make up for each other's deficiencies and to promote mutual development. They reached an agreement on this.

Both sides will jointly develop pyrite, anthracite, marble, gypsum, and graphite mines and jointly operate soda ash, caustic soda, and metallurgical plants. They will also jointly develop grassland resources and build fodder grass, animal feed, and animal husbandry production bases for their own use. Both sides will actively organize enterprises to participate in various enterprise associations and groups which mainly produce brand name and quality products and regard large and medium enterprises as the mainstay. Both sides will further strengthen technological and personnel exchanges. Our province will transfer applied technology to Nei Monggol Autonomous Region and provide it with new scientific and technological findings and technical services. Both sides will expand materials and commodity exchanges and jointly establish commercial coordinated networks. Both sides also reached an agreement on jointly developing border trade and strengthening economic and technological cooperation and information exchanges.

HEILONGJIANG OFFICIAL SPEAKS ON INTELLECTUALS' WORK

SK300519 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 29 Oct 86

[Text] On the afternoon of 29 October, at the Yichun City conference on the work for intellectuals, Liu Chengguo, deputy secretary of the provincial party committee, pointed out: After basically fulfilling the task of implementing the policies towards intellectuals, a problem left over by history, the focus of the province's work for intellectuals should be gradually reoriented towards the path of comprehensive and frequent development. Affected by the leftist line for a long time, there had been a large number of unjust, false, and wrong verdicts on the issue of intellectuals. Therefore, the party Central Committee urged us to fulfill the task of implementing the policies towards intellectuals, a problem which had been left over by history, before the convocation of the 13th party congress. This task was basically fulfilled by our province 1 year ahead of schedule.

Liu Chengguo stressed: In developing the work for intellectuals in a comprehensive and frequent manner, we should adhere to the guiding ideology of further cultivating a social atmosphere of having respect for knowledge and talent, creating a good political, work, and living environment for intellectuals in carrying out reforms; bringing the initiative and creativity of intellectuals into full play; giving full play to intellectuals' special role in building socialist modernization; and encouraging them to contribute to building the two civilizations.

Comrade Liu Chengguo summarized the content of the future work for intellectuals as having respect for and having confidence in intellectuals, creating conditions for them, improving their capabilities, giving full play to their specialities, and enabling them to grow in good health. Liu Chengguo positively appraised the Yichun City party committee for its coordinated development of natural and human resources despite the lack of forestry and financial resources.

JILIN SECRETARY RECEIVES HAMI PREFECTURAL GROUP

SK010646 Changchun Jilin Provincial Service in Mandarin 2200 GMT 31 Oct 86

[Text] An economic inspection group from Hami Prefecture of the Xinjiang Uygur Autonomous Region visited Changchun recently. On 29 October, Gao Di, secretary of the Jilin provincial party committee, called on all members of the inspection group at a guesthouse.

The prefectural economic inspection group headed by (Han Pengfu), secretary of the prefectural party committee, came to our province for the purpose of conducting inspections in Liaoyuan City. The eight member inspection group further studied the development of economic cooperation between Liaoyuan City and Hami Prefecture and discussed specific projects concerning cooperation during its stay in Liaoyuan.

While meeting with the group, Comrade Gao Di extended a warm welcome to the comrades from Hami on their inspection tour in our province. He said: Liaoyuan used to be called a small Shanghai. It has advantages for developing light industry, but is poor in natural resources. Hami Prefecture has the advantage of possessing rich natural resources. So, both sides would benefit from cooperation.

Comrade Gao Di introduced our province's relevant situation and expressed the hope that Jilin Province and Xinjiang Region would extensively conduct economic cooperation based on developing economic cooperation between Liaoyuan and Hami.

JILIN ARRANGES JOBS FOR RETIRED VETERANS

SK010639 Changchun JILIN RIBAO in Chinese 22 Oct 86 p 1

[Text] Thus far, our province has been able to comprehensively complete the work of arranging jobs for retired soldiers. More than 24,500 retired soldiers have taken up new jobs after taking off their military uniforms.

To achieve the work of arranging positions for retired soldiers, all localities throughout the province have established various types of organizations in service to multiskilled personnel. As of last June, 53 counties and 8 cities, prefectures, and autonomous prefectures throughout the province had established job arrangement centers and service centers; and 764 towns and townships had established stations to arrange jobs for multiskilled persons.

To make retired soldiers better suit the demands of the local work, all localities have also opened supplementary training classes. This year the province has opened 128 supplementary training classes for retired soldiers and 1,039 retired soldiers have been trained.

During the course of arrangements, some localities have persisted in assigning tasks on a contract basis, according to the demands of production development, and have avoided the egalitarianism in distribution so that they have made the arrangement work better serve economic construction.

In addition, they have also linked the job arrangement work with the conduct of the soldiers during their enlistment periods. Thus, the retired soldiers were dealt with based on their merits and were reasonably arranged. Some were rewarded while others were punished. All localities also paid full attention to helping retired soldiers solve practical difficulties. So far, the localities have built and rebuilt more than 360 houses for more than 400 rural retired soldiers.

Thanks to the fact that this year's job arrangement work was carried out carefully and reasonably, most counties and cities finished their tasks in March. They ensured that the Armed Forces, retired soldiers, and the units accepting the retired soldiers were satisfied with the work.

#### LIAONING GRAIN PURCHASING POLICY DETAILED

SK040440 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 3 Nov 86

[Text] The provincial grain work conference ended in Shenyang on 1 November. Vice Governor Zuo Kun reaffirmed this year's policy on purchases of grain and oil-bearing crops.

He pointed out: The corn, sorghum, and millet to be sold by contracts should be purchased at readjusted proportional prices. The price of soybeans to be purchased by contracts should be raised by 0.03 yuan per 0.5 kg. Soybean cake amounting to 10 percent of the soybeans to be sold to the province will be sent to the sellers. Coarse food grain should be purchased at the prices fixed before price readjustment; that is, 30 percent of the coarse food grain will be purchased at the unified purchase price, and the remaining 70 percent will be purchased at subsidized purchase prices. Based on the original prices for above-quota amounts of corn and sorghum, prices of above-quota corn and sorghum will be raised by 0.02 yuan per 0.5 kg. Prices of paddy rice and millet will be raised by 0.014 yuan per 0.5 kg.

The policies stipulated last spring when grain contracts were signed on making industry support agriculture and on linking grain with fertilizer should be carried out when purchasing coarse food grain. Accounts must be settled with each and every peasant household. Peasant household's wishes must be respected. Either cash payments or transfer accounts should be settled according to peasants' wishes. Grain departments are not allowed to deduct any money except for agricultural taxes from the money peasants have earned from selling grain and oil-bearing crops. During the period of purchasing grain and oil-bearing crops, except for the grain departments, no organs, mass organizations, enterprises and establishments, PLA units, schools, units outside the province, or individual households engaged in transportation are allowed to purchase, transport, or sell grain and oil-bearing crops. Purchase contracts that have been signed by these units must not be carried out temporarily. After fulfilling the state contracted purchase quotas and the task of changing the purchase prices from negotiated prices to government prices, the counties are allowed to open various channels to market grain and oil-bearing crops. Farm product trade markets should open as usual in the period of purchasing grain and oil-bearing crops. Peasants are allowed to freely market their grain and oil-bearing crops not covered by contracts. The business between peasant households and consumers will be conducted as usual after the contracts are fulfilled.



SHAANXI HOLDS PARTY RECTIFICATION CONFERENCE

HK050813 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 4 Nov 86

[Text] During the provincial telephone conference on village party rectification which was held on the evening of 3 November, Li Xipu, director of the provincial party committee party rectification group, pointed out that in village party rectification, all prefectural, city, county, and township party committees must really strengthen their leadership and give specific guidance. They should solve problems promptly whenever they find them, so as to ensure the [words indistinct] of party rectification.

Comrade Li Xipu said: The province's village party rectification work has started on a full scale. However, party rectification preparatory work and discipline inspection work in various localities is unevenly developed. Some localities do not have a deep understanding of the significance of village party rectification and do not handle it as a central task for this winter and next year's spring. In particular, the principal leaders of some party committees only assume leadership but do not personally carry out the work. They have no idea about party rectification work or do not carry it out in an in-depth manner. Some take a wait-and-see attitude toward village party rectification, and do not adopt effective measures. It seems that they only want to act in a hasty or superficial manner. In view of this situation, he stressed: We must treat village party rectification as the central task of this winter's rural work. All other tasks must serve the needs of this work. They should be formulated and arranged in a centralized way.

Comrade Li Xipu urged all localities to expand great effort to act in the spirit of the provincial party committee's conference on party rectification work. He said: Judging from the situation as revealed by investigations, Baoji, Yulin, Xian, Hanzhong, Weinan, Xianyang, and Shangluo prefectures and cities implemented the work quite well. He said: To run party classes well at the village level is a basic method for educating party members in ideology. In order to do well in this education, we must spend great effort to prepare educational materials.

In conclusion, Comrade Li Xipu said: At present, in village party rectification, we must do well in the following three points: First, we must emphatically examine the understanding and guidance of principal prefectural and country party committee leaders in village party rectification work. Second, we must, in accordance with local conditions, exercise specialized guidance. Third, we must pay attention to feedback issues in the course of carrying out the work.

He urged all party and government organs to create the necessary conditions in various areas for doing well in party rectification.

SHAANXI CONDUCTS EDUCATION WORK MEETING

HK311255 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 31 Oct 86

[Text] The provincial universal education work meeting, which concluded on 30 October, emphasized the issue of strengthening the contingent of secondary and primary school teachers. At present, some 50 percent of the province's secondary and primary school teachers will have their qualifications improved through training in order to attain the standard level.



The conferees held that we should adopt manifold policies to strengthen the province's capacity of training secondary and primary school teachers. The meeting pointed out: Teachers' colleges should offer courses and training in special information. The special courses and training period in these colleges should be gradually shortened from 3 to 2 years. Teachers' colleges at the prefectural and city levels may offer these special courses. We should systematically select a number of television university graduates to join short-term training courses for teachers. On examinations for self-study students, we should [words indistinct] those who are bold in developing politics, foreign languages, physical education, music, arts and other subjects. [words indistinct]

At the closing ceremony, Governor Li Qingwei said: All departments must assist and carry out practical work when developing the education undertaking. In particular, the financial departments should try their best to [words indistinct] to run the undertaking.

He stressed: The 9-year compulsory universal education will not work if we only depend on the state's efforts but without the people's support. Therefore, we must rely on the masses to engage in the undertaking in various ways. He hoped that the large and medium enterprises and institutions would give play to the advantages of technology and make contributions to the province's vocational training.

#### SHAANXI VIGOROUSLY DEVELOPS INDIVIDUAL ECONOMY

HK050447 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 1 Nov 86

[Excerpt] Our province's individual economy has developed vigorously. The number of workers engaged in individual industry and commerce has grown to some 420,000. The output value of the products and the amount of commodities sold by individual industrial and commercial households in the whole province during the first 9 months of this year accounted for 10 percent of the total value of retail social commodities in the whole province.

During the Sixth 5-Year Plan, individual industrial and commercial households throughout our province submitted taxes of some 140 million yuan to the state. Over the past few years, our province's individual economy has developed quickly. The scale of operation has been continuously expanded. The number of workers of all industrial and commercial households throughout our province in 1980 was only 15,000 and has now developed to 420,000, an increase of 26 times in 5 years. The structure of individual operators' trades has developed from commerce and catering as the main trades to 250 trades including small-scale industry, mining, construction, communications, transport, culture, art, and scientific and technological services. The total amount of capital this year has reached 310 million yuan.

In the wake of the rural economy being shifted to specialization orientation, commodity economy, and modernization, the focal point for the development of individual industry and commerce has moved from the cities and towns to the rural areas. The number of the rural individual industrial and commercial households throughout our province now accounts for 48 percent of the total number of individual industrial and commercial households in the whole province. [passage omitted]

The provincial Individual Laborers Association and provincial Industrial and Commercial Administrative Bureau recently held a commendation rally to commend 12 advanced collectives, including the (Beiling) District Individual Laborers Association of Xian City, and 15 advanced individual laborer pacesetters, including (Zhu Xiaoli).

ECONOMIC OFFICIAL URGES FEWER EXPORTS TO U.S.

OW040414 Taipei CNA in English 0242 GMT 4 Nov 86

[Text] Taipei, Nov. 3 (CNA) -- A ranking official with the Economics Ministry has called for improvement of the ROC-USA [Republic of China-USA] trade imbalance as a means to solve the trade disputes between the two nations.

Vice Economics Minister Wang Chien-Hsien said that most of the existing trade disputes between the Republic of China and the United States arose from their huge trade gap.

Before the problem of the trade imbalance can be improved, many other trade disputes may erupt any time, even if the dispute over the ROC's importation of American beer, wine and tobacco is solved in the near future, Wang said.

Wang said the over-concentration of the ROC exports on the U.S. market will be a great risk for the nation once the U.S. initiates retaliatory measures.

About 48 percent of the ROC's exports went to the U.S. in the first six months of this year. Wang suggested that the nation reduce its exports to the U.S. to less than 37 percent of its total exports so as to minimize the possible adverse influence brought by U.S. retaliatory measures.

Meantime, another ranking Economics Ministry official called on the people here to be cool in response to the American retaliatory measures against the nation.

The U.S. authorities have been drafting up retaliatory actions since the talks on the ROC's imports of American cigarettes and alcoholic beverages broke off. They are to announce the content of the retaliatory program within next week.

The official said that Premier Yu Kuo-hua had a meeting with Economic Minister Li Ta-hai and Finance Minister Robert C. Chien recently on the countermeasures which the nation may take against U.S. retaliation. However, the official refused to elaborate on the result of the meeting.

DEMOCRATIC PROGRESS PARTY BANNED FROM ELECTION

OW040955 Taipei CHINA POST in English 31 Oct 86 p 12

[Text] Candidates cannot register or campaign on behalf of the "Democratic Progress Party" (DPP) in the year-end by-elections before concerned laws are revised, the Central Election Commission (CEC) said yesterday, although it did not say what the consequences of violations would be.

Meanwhile, Wu Poh-hsiung, minister of the interior and concurrent chairman of the CEC, said the government maintains its policy of not recognizing new political parties before revisions to existing laws are complete.

In answering an interpellation made by Legislator Tsai Cheng-pang in the Legislative Yuan yesterday, Wu said political stability and harmony within the country is everyone's responsibility.

Since the government is sincere in its effort to achieve political plurality, Wu said, he hoped everybody would cooperate in maintaining political stability.

The Statute for the Formation of Civic Bodies During the Period of Communist Rebellion and the Public Officials Election and Recall Law are currently being drafted by the ministry to legalize new political parties.

Challenging a ban on the formation of new political parties, 135 nonpartisans signed a declaration Sept. 28 announcing the birth of the DPP. However, there have been no arrests.

INTERIOR MINISTER URGES FAIR, OPEN ELECTIONS

OW040417 Taipei CNA in English 0248 GMT 4 Nov 86

[Text] Taipei, Nov, 3 (CNA) -- Interior Minister Wu Po-hsiung called on the people here Monday to try their best to help make the coming year-end elections a success.

Nationwide elections are to be held early next month to elect supplemental members to the National Assembly and the Legislative Yuan.

In answering an interpellation by Legislator Chao Hui-mo at a meeting of the Committee on Interior Affairs, Wu said that the government has always upheld the principles of justice, fairness and openness in staging the elections.

It is expected that over 11 million voters will cast their ballots at some 10,000 voting stations around the nation during the coming elections. "The government will spare no efforts to assure successful and smooth elections," Wu pledged.

Wu said that the spirit of democracy will be demonstrated through elections and all election campaigns should be conducted in accordance with laws and regulations.

We called on the people here to be rational in electing able and wise persons to public offices. "Those candidates who try to bribe the voters, use violence or find loopholes in the law to seek their election should be boycotted by all of the electorate," Wu said.

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